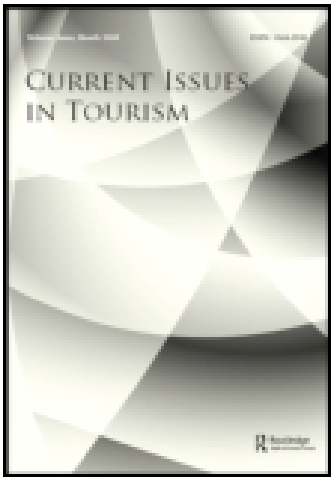

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Segmenting hotel clients by pricing variables and value for money

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Segmenting hotel clients by pricing variables and value for money

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The main objectives of this study are to answer the following important research questions: (a) Are pricing and value-for-money variables good segmentation bases for clustering hotel clients? (b) What type of tourists can be identified through pricing and value-for-money bases? The main conclusion of this paper is that marketers who apply yield management in their firms should take into account price perceptions of clients and that pricing decisions should be made by properly communicating changes in prices and the reasons behind them. Furthermore, two segments of hotel clients are revealed and analysed in the study: 'price-elastic' and 'price-rigid' segments.

Keywords: segmentation; hospitality; pricing; heterogeneity

Introduction

Consumer heterogeneity is one of the most fundamental concepts in marketing strategy; in fact, it is the basis for market segmentation, targeting, positioning, and micro-marketing (Kamakura, Kim, & Lee, 1996; Rondan-Cataluña, Sanchez-Franco, & Villarejo-Ramos, 2010). Nevertheless, segmentation is obviously not equally applicable to all sectors and industries. Focusing on the service sector, clients expect to be treated as individuals and to be provided with services that they desire – not a standard solution (Gwinner, Bitner, Brown, & Kumar, 2005). This idea is even more relevant if the distinctive qualities of services are recognised, such as service is intangible and heterogeneous; its production, distribution, and consumption are simultaneous processes; it is an activity or a process; it is a core value created in buyer–seller interactions; customers participate in its production; it cannot be stored, and there is no transfer of ownership when it is sold (Grönroos, 2000; Svensson, 2006).

The literature documents application of segmentation strategies mainly for tangible products. However, segmentation in services has been underdeveloped (Ehrman, 2006). This study aims to provide knowledge in this critical area of service management. More specifically, this research has focused on hospitality management. Tourism is very important in the economy of Andalusia (according to official statistics 'Balance del año turístico en Andalucía, 2010', 16% of GDP in 2010), a southern region of Spain where the study was developed.

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Segmenting clients in tourism is particularly difficult because every specific tourism destination or location may be characterised by distinct features, diverse external factors, or varied past marketing efforts. For example, the benefits sought by tourists visiting a tropical beach may be quite different from those that other travellers looking for trekking adventures in the Himalaya Mountains seek. Even, the same travellers may have heterogeneous motives and expectations for a business trip in comparison to a leisure trip for the same destination. For these reasons, all attempts to improve and test segmentation techniques and segmentation basis are relevant for tourism managers, in general, and hotel/hospitality practitioners, in particular.

Analysing the use of segmentation variables based on price and value can be very useful for those practitioners responsible for managing these pricing policies. In this study, we have focused special attention on yield management, which is one of the more applied pricing policies by hotel managers (Jallat & Ancarani, 2008; O'Connor & Murphy, 2008). This research is especially relevant in the actual environment of economic crisis that is being suffered by Spain and other European countries, such as Portugal and Italy, where tourism is one of the cornerstones of their economies. Especially in the context of economic recession, value for money regarding destinations is likely to be put forward by tourists and travellers (Papatheodorou, Rosselló, & Xiao, 2010). Therefore, the importance of prices in destination selection is increasing, and consequently, the study of variables related to prices as segmentation bases is getting more pertinent.

Segmentation in the hospitality sector

Jefferson and Lickorish (1988) indicated that the more common tools of touristic segmentation are (a) socio-demographic characteristics such as gender, age, family size, nationality, and social level; (b) socio-economic variables indicative of occupation and income; (c) travel motivation; and (d) travel patterns of behaviour or psychographic groups. However, several research studies documented the fact that demographic segmentation by itself does not provide adequate discrimination between market segments (Juaneda & Sastre, 1999). Juaneda & Sastre (1999) showed the importance of segmentation by nationality in the Balearic Islands and that an understanding of these differences greatly enhances efforts towards the development of an appropriate strategic marketing plan for destination areas.

More recently, benefit segmentation has been claimed as a better segmentation basis than previous methods. It was seen as having a much wider range of applications than traditional segmentation techniques since it provided marketers with a fuller picture of customers. Concretely, the advantages of benefit segmentation were its capacity to not only classify customers by benefits sought, but also profile each segment by using descriptive variables (Frochot & Morrison, 2001). According to Frochot & Morrison (2001), four main categories of applications of benefit segmentation in travel and tourism are evident: (1) destination marketing; (2) targeting specific markets; (3) attractions, events, and facilities; and (4) examining traveller decision-making processes.

Bigné and Andreu (2004) presented an empirical study on tourist segmentation based on consumption emotions evoked by the enjoyment of leisure and tourism services. Barroso-Castro, Martín-Armario, and Martín-Ruiz (2007) found four major clusters of tourists – according to the tourists' need for variety. Their results showed that significant differences exist among these segments in terms of the effects of a destination's image on tourists' intentions to return to the destination and their intentions to recommend it to their friends and relatives. Previously, Yuksel and Yuksel (2002) identified five distinct

segments focused on tourists' dining experiences. They revealed that greater variation in satisfaction was explained when the analysis was undertaken at the market segment level than at the aggregate market level. Inbakaran and Jackson (2005) found four discernible clusters of resort visitors. Their results show that gender does not have much influence, whereas life cycle, education, and age have considerable influence on the segmentation of the resort clientele. Dey and Sarma (2010) found three segments of tourists in North-East India according to travel motivation: (1) nature-loving explorers, (2) nature-loving vacationers, and (3) change seekers. The motivation factors that they analysed are as follows: fun and independence, vacation, health and recognition, wander thirst, and nature. A novel method to segment tourist markets associated with dominant movement patterns of tourists is presented by Xia et al. (2010). The process consists of identifying dominant movement patterns of tourists; those who travelled with the same dominant movement pattern were divided into different segments based on the geographic, socio-demographic, and trip-related behavioural variables. This method is very useful for developing tour packages.

After a revision of many studies about segmentation in the tourism and hospitality sector, it has been proved that variables related to prices and values have not been used as the only segmentation bases. When these variables have been used in segmentation, they have been joined to others that likely influence the formation of groups. This paper tries to fill this gap by isolating these segmentation bases, because price is a decisive variable in decision-making about hotel selection, especially for those managers applying yield management. In addition, behavioural and psychographic segmentation bases have been used.

Concretely, the main objectives of this study are to answer the following important research questions:

(1) Are pricing and value-for-money variables good segmentation bases for clustering hotel clients?
(2) What type of tourists can be identified through pricing and value-for-money bases?

Value for money in the hotel sector

With regard to value for money, it is one of the four dimensions that Sweeney and Soutar (2001) developed for measuring perceived value. Value for money is part of the sacrifices (price, time, effort, risk, and convenience) made by the customer; the other part that conforms perceived value are the benefits (economic, social, and relationship) received by the consumer. In a tourism context, Sanchez, Callarisa, Rodriguez, and Moliner (2006) developed a scale of measurement of the overall perceived value of a purchase (GLOVAL). They paid special attention to identifying the cognitive and affective dimensions. Recently, other studies have analysed perceived value and value for money in the tourism scope (Chen & Chen, 2010; Lee, Yoon, & Lee, 2007), but they have not use these variables as segmentation bases.

Concretely in the hotel sector, some studies have shown that value for money is a critical attribute that has a positive relationship with the intention to revisit (Ramanathan & Ramanathan, 2011; Supitchayangkool, 2012). Additionally, value for money has to be emphasised in advertising campaigns in order to attract tourists, especially those with lower incomes as students (Phau, Tekle, & Dhayan, 2010). Furthermore, other studies have pointed out that value for money, among other factors such as hospitality, food,

logistics, and security, has a significant impact on satisfaction in this sector (Narayan, Chandrasekharan, & Sai, 2008). These ideas are valid not only for hotels but also for destinations (Silvestre, Santos, & Ramalho, 2008).

Pricing in the hotel sector

Among all the different pricing policies available for hotel managers, yield management has become one of the most important policies in recent years. In fact, prices in the whole tourism industry (e.g. airlines and hotels) are based almost exclusively on the 'yield management' policy (Avlonitis & Indounas, 2007). The perishability of hospitality and airline sectors is one of the basic motivations for the wide development of yield management in these services. For a hotel manager to have empty rooms on one particular day implies that the potential incomes that the clients of these rooms might provide to the firm are lost forever. And these potential incomes cannot be recuperated another day. This is because of the perishability and the impossibility of stocking these services. Yield management is an attempt to avoid this idle capacity.

Kimes (2011) manifested that revenue management or yield management will become more strategic and technologically driven in the coming years. Yield management policies deal with, first, conducting market segmentation and, second, setting different prices according to the identified segments and thus maximising revenues and available capacity (Selmi, 2010). Therefore, this highlights a key aspect of yield management, that is, market segmentation. In this context, an important aspect is that clients from different segments do not perceive the use of this practice as unfair (Kimes, 2002). Taking into account the relevance of segmentation in yield management, what segmentation bases are more appropriate for this topic? We hypothesise that variables related to price will be the best choice because segments will be based on price perceptions.

A more widespread definition of yield management is a sophisticated way of managing the offer/demand by manipulating prices and available capacity simultaneously. Then, through yield management, managers may allocate the available capacity at any time, monitoring the segments and setting prices according to their price sensitivity. In addition, they charge lower prices to price-sensitive segments and higher prices to those segments that show a greater willingness to pay (Avlonitis & Indounas, 2007).

In general, yield management and revenue management are often used as synonyms in the service industry. However, it should be noted that revenue management or yield management tends to be used more profusely in hospitality industry (e.g. Choi & Mattila, 2005; Noone & Mattila, 2009). However, this pricing policy can be used in numerous industries. Marchionna (2005) has considered its application in airlines, hotels, wholesale tour operators, restoration, urban and suburban transportation, long-distance rail passengers, electricity generation and distribution, use of infrastructure for freight transport, telephone services, use of roads and public streets, occupation of hospital beds, operating room use, and, finally, industries with inflexible production capacity and fluctuating demand. Furthermore, Leask, Fyall, and Garrod (2012) studied the practice of revenue management in Scottish attractions, showing the relationship between pricing, value, and the visitor experience.

In the case of hotels, some research has been published on how the presentation of the best available rate influences the perceived price fairness. In this sense, Rohlfs and Kimes (2007) suggest that non-blended rates are perceived by hotel clients as fairer, more acceptable, and more reasonable than blended rates. The former include a price list that is increased or decreased according to the number of nights included in the booking; in the latter, the price shown to the customer is the average price of all nights included in the

booking. This is to say that non-blended rates provide more information than blended rates and that customers perceive that as prices fall, their profit increases, encouraging the purchase or booking. Rohlfs and Kimes (2007) and Wirtz and Kimes (2007) found that customers' familiarity with this pricing policy may influence their reaction to it. Thus, perceived price fairness caused by this strategy is influenced by the amount of information given to the customers (Kimes, 2002).

Taking into account the aforementioned ideas, and combining two types of segmentation bases: behavioural and psychographic, the variables that have been used in this study are related to prices and price perception of hotel clients. More exactly, the research incorporates the following: (a) Two behavioural bases: price paid (euros per night) and additional spending in the hotel (in euros). These variables can be considered as measures of objective prices. (b) Two psychographic bases: value-for-money perceptions (measured with five items) and willingness to pay. These two variables are measures of price perceptions. As has been mentioned previously, value for money is a component of customer value and can be viewed as comparing the benefits and sacrifices and represents monetary valuation (Nasution & Mavondo, 2008).

In the survey, value-for-money perceptions were measured with five items using a seven-point Likert scale and adapted from the scale of Martin-Ruiz, Barroso-Castro, and Martin-Armario (2007), see Table 2. With regard to willingness to pay, it was evaluated with the statement 'I will come back to this hotel even if the price will increase until ___%'.

Furthermore, some covariates related to socio-demographic and behavioural characteristics were used in order to better describe the groups of clients. These covariates are client loyalty (How many times have you stayed in this hotel?), group size (How many people are staying with you?), age, gender, education level, incomes, family size, motives for the trip, and type of stay.

In summary, we hypothesise that pricing variables are good segmentation bases for hotels that use yield management as pricing policy.

Methodology

Latent class segmentation

Latent class (LC) segmentation has been used to segment the sample of hotel clients. LC models are a kind of mixture models. Mixture models refer to procedures that deal with heterogeneity in the parameters of a certain model across the population by imposing a mixing distribution on some or all the parameters of that model. One may assume that the parameters of a model are heterogeneous across consumers and follow a certain distribution among the population. This distribution can be assumed to be either continuous or discrete (Wedel & Kamakura, 2000). LC models, therefore, represent a powerful tool for market segmentation. They estimate utilities for each segment and the probability that each respondent belongs to each segment (Wilson-Jeanselme & Reynolds, 2006). A large number of such models have been developed, and several studies have demonstrated their superior performance over traditional clustering-based techniques (DeSarbo & Wedel, 1994). The main characteristic of this methodology, contrary to the clustering-based segmentation, is that it can be used with qualitative variables – nominally scaled (Kamakura & Wedel, 1995). Moreover, the creation of *a posteriori* segments is another advantage over other segmentation types, because *a priori* segments may be distinct but may not behave differently with respect to the variables analysed in the study (DeSarbo, Jedidi, & Sinha, 2001).

In summary, an LC cluster model identifies clusters that group cases sharing similar interests or characteristics. Some advantages over traditional cluster analysis are embodied

in probability-based classification. Cases are assigned into groups based upon membership probabilities estimated directly from the model (Bond & Morris, 2003; Ramaswamy, Chaterjee, & Cohen, 1996; Vermunt & Magidson, 2003; Vriens, Wedel, & Wilms, 1996). The estimation method starts with a hierarchical cluster and continues with the iterative algorithm expectation–maximisation, until the combination of model and number of clusters that enables the collection of more information is found. Then, the number of clusters in the sample is identified by looking at the alternative that displays the smallest Bayesian information criterion (BIC) (Barroso-Castro et al., 2007).

With regard to the statistical software, Latent Gold 4.0 has been used to estimate LC cluster models and SPSS 15.0 for the descriptive analysis.

Sample

A simple random sampling method was used to collect information from 2400 hotel clients (1235 males and 1165 females), by means of personal interviews conducted by trained interviewers during the months of December 2006 and January 2007. They were interviewed in 83 hotels (around 30 clients in each hotel) selected randomly in all Andalusia provinces in the south of Spain. The average age was 42.6 years. In total, 80.9% of the respondents stayed in the hotel for leisure motives, 14.1% for working motives, and 5% for personal motives. In addition, 78.4% of the respondents stayed in the hotel where they were interviewed for the first time, 9.5% for the second time, and 12.1% for the third or more times.

Results

The first step in analysing latent cluster results is to set the number of groups. The two-cluster model obtains the minimum BIC (Vermunt & Magidson, 2003). The optimum number of clusters that minimise the BIC index (.1182) is 2 (Table 1).

Furthermore, the segmentation variables related to price and value-for-money perceptions and willingness to pay (psychographic bases) were significantly different in the two clusters according to the *p*-values of the Wald test (that measures the discriminant capacity of the analysed variables) and *z*-values. However, price paid per night and additional spending in the hotel (behavioural basis) were not statistically significant in both groups of clients (see Table 2).

The covariates that were statistically different in both groups were client loyalty, age, and level of education achieved by the respondents. The description of the two latent clusters is given in Table 3. Cluster 1 includes 67.72% of the clients of the sample and cluster 2 consists of 32.28%. With regard to the segmentation variables, the average price paid by

Table 1. Selection of latent clusters.

		LL	BIC (LL)	Npar	L^2	df
Model 1	One-cluster	−595.1259	1440.5114	65	1190.2518	−18
Model 2	Two-cluster	−510.1771	1386.1182	95	1020.3542	−48
Model 3	Three-cluster	−481.157	1443.5824	125	962.3139	−78
Model 4	Four-cluster	−458.1315	1513.0358	155	916.2629	−108
Model 5	Five-cluster	−436.7593	1585.7959	185	873.5186	−138
Model 6	Six-cluster	−427.365	1682.5117	215	854.73	−168

Table 2. Models for indicators.

	Cluster 1	Cluster 2	Wald	*p*-Value
Price paid per night (in euros)	−0.0005	0.0005	0.0101	0.92
Additional spending (in euros)	−0.0029	0.0029	0.6134	0.43
I believe that the hotel rates are reasonable	2.2152	−2.2152	13.0281	0.00031
In general, the price charged by the hotel seems reasonable, given the costs involved in my accommodation	1.3799	−1.3799	10.9619	0.00093
Compared to the price of other hotels, the price that I have paid in this hotel is a normal price	0.938	−0.938	13.2457	0.00027
The hotel offers good service, considering the price I have paid for it	1.9041	−1.9041	12.6743	0.00037
The value of the hotel makes it worth the money, time, and effort invested in the accommodation	0.9189	−0.9189	10.9522	0.00094
Willingness to pay	0.1412	−0.1412	4.0651	0.044

both groups was quite similar (around €66 per night). However, the additional spending of the clients from cluster 2 was over €10 (on average) greater than that of clients from cluster 1. The key variables that provoked the division of client hotels into two groups were the five variables related to pricing and value-for-money perceptions and the one related to willingness to pay. The clients from cluster 1 exhibited a significantly better perception of hotel rates, with hotel value-for-money perceptions over six points on average (with a maximum scale of seven points). The clients from cluster 2 scored the perceptions of hotel rates to approximately 4.5 points. Furthermore, the respondents of the first group were willing to pay up to 6% more for the same hotel, but for the second group, this percentage was only 0.78.

In relation to the covariates that help describe both groups, average incomes and family size were slightly larger for the first latent segment. More differences appeared in the level of education because a much higher percentage of clients achieved tertiary level of education in the second latent cluster than in the first one (53.35% *vs*. 31.25%) and 37.51% of the respondents in the first segment achieved only primary level *vs*. 19.97% in the second group. The average ages were 45 years in cluster 1 and 41.12 years in cluster 2. With regard to gender, females were double sized in the second latent cluster than in the first one; the reverse occurred for males. Although the level of loyalty was scarce in both groups, it was very lower in cluster 1, because 68.76% of the respondents of this group were visiting the hotel for the first time *vs*. 59.98% in cluster 2. The majority of the clients from the second group (86.66%) stayed in the hotels for leisure motives; this percentage was 59.38% in the first one; conversely, working motives were higher in latent cluster 1. Finally, no significant differences were found with regard to the type of accommodation in both group of clients, but in the first one, 15.62% enjoyed all inclusive *vs*. 0% in the second one.

Discussion

The main objectives of this study were to answer the following important research questions: Are pricing and value-for-money variables good segmentation bases for clustering hotel clients? What type of tourists can be identified through pricing and value-for-money bases?

With reference to the first question, using only pricing variables as segmentation bases, two groups of tourists emerged on applying latent cluster segmentation techniques. Had

Table 3. Description of segments.

	Cluster 1	Cluster 2
Cluster size	0.6772	0.3228
Indicators		
Price paid per night (in euros)		
Mean	65.877	66.8607
Additional spending (in euros)		
Mean	16.9172	26.7739
I believe that the hotel rates are reasonable[a] (1 totally disagree, 7 totally agree)		
Mean	6.2728	4.637
In general, the price charged by the hotel seems reasonable, given the costs involved in my accommodation[a] (1 totally disagree, 7 totally agree)		
Mean	6.1169	4.5028
Compared to the price of other hotels, the price that I have paid in this hotel is a normal price[a] (1 totally disagree, 7 totally agree)		
Mean	6.0553	4.6319
The hotel offers good service, considering the price I have paid for it[a] (1 totally disagree, 7 totally agree)		
Mean	6.2103	4.5703
The value of the hotel makes it worth the money, time, and effort invested in the accommodation[a] (1 totally disagree, 7 totally agree)		
Mean	6.0552	4.6322
Willingness to pay[a]		
Mean	6.0032	0.7829
Covariates		
Type of accommodation		
Bed only	0.0937	0.1334
Bed and breakfast	0.2812	0.4001
Half board	0.0937	0.1334
Full board	0.3751	0.3331
All inclusive	0.1562	0
Number of nights in the accommodation		
Mean	5.2191	4.2656
Trip motive		
Leisure motives	0.5938	0.8666
Working motives	0.3749	0.1334
Personal motives	0.0312	0
Client loyalty[a]		
First time	0.6876	0.5998
Second time	0.25	0.2668
Third or more times	0.0625	0.1334
Gender		
Male	0.6562	0.3334
Female	0.3438	0.6666
Age[a]		
Mean	45.0031	41.1251
Level of education[a]		
Primary	0.3751	0.1997
Secondary	0.2187	0.1334
Vocational training	0.0937	0.1334
College	0.3125	0.5335
Family size		
Mean	3.4059	3.2673
Incomes (in euros)		
Mean	2215.4305	2010.336

Note: [a]Statistically different in both groups.

these variables not been discriminating enough, no clusters would have been identified. As noted above, in a latent cluster analysis, initially, the number of segments is unknown. Therefore, as two latent clusters arose from the analysis, we can affirm that in this case, eight variables related to price and value for money were applied, but only six showed discriminating powers. Price paid per night and additional spending in the hotel were not valid segmentation bases. It seems that these measures of objective prices are not valid segmentation bases, as the perceptions of value for money and prices are. It is likely that neuronal processes provoked by perceptions of price and value for money enjoyed in a hotel are more relevant in decision-making than the objective monetary value of the price paid or additional spending in the hotel. But tourists from the price-rigid segment paid a bit more per night and spent more as additional expenses than people from the other segment. It is very interesting that clients who paid more are more price rigid, perhaps because they know that they could achieve a cheaper option. According to the results, perceptions of prices are more relevant than objective prices in order to segment hotel clients; this means that the image of prices generated by customers' minds are even more decisive in consumer behaviour than objective prices.

In consequence, marketers who apply yield management in their firms should take into account price perceptions of clients and pricing decisions should be made by properly communicating changes in prices and the reasons behind them (Martin-Consuegra, Molina, & Esteban, 2007).

Next, in order to answer the second research question, the description of both segments is exposed. The clients from cluster 1 or 'price-elastic' segment believed that the hotel rates were reasonable. In addition, they thought that the price charged by the hotel was reasonable, given the costs involved in the accommodation, and they had a good perception of prices in comparison to those charged in other hotels they had visited. Furthermore, they manifested a good perception of price–service quality relationship. In general, they had an excellent perception of value of their accommodation including economic and non-economic efforts. Perhaps, the most outstanding characteristic of this segment is that they were willing to pay 6% more of the price they had paid. This is a key point for marketers, indicating that people who have a good perception of prices and value are willing to pay more. This idea has links with other studies that demonstrated the influence of perceived price fairness on customer satisfaction, loyalty, and price acceptance (Martin-Consuegra et al., 2007). With regard to demographic variables, clients who were included in this group tended to book full board and bed and breakfast accommodation; there were a much higher percentage of clients visiting the hotel for working motives in this segment than in the other segment; the majority of them were males and they were visiting the hotel in which the interview was conducted for the first time; they were 4 years older, on average, than the clients of the other segment; and the majority of them achieve primary (37.51%) or tertiary (31.25%) level of education. The fact that the average incomes of these clients were about 10% higher than those of clients in the other segment is remarkable. Probably, the last information and the fact that a large percentage of clients of this segment visited the hotel due to working motives and therefore their firms likely paid for their accommodation influence their higher willingness to pay.

The clients from cluster 2 or 'price-rigid' segment achieved a significantly lower score in price perceptions, value for money, and price–service quality relationship. And, they were not willing to pay more for the accommodation. The respondents from this group were accommodated in the hotels mainly due to leisure motives; however, they were a bit more loyal than the others. The percentage of women in this group was double sized

than that of those in the other segment. They were 4 years younger and more than a half studied to the college level.

Conclusions

Marketers of hotel chains who use yield management policy, which is a common practice in this sector (Avlonitis & Indounas, 2007), should try to use segmentation bases based on price perceptions and willingness to pay. These segmentation variables are essential to adapt yield management and other pricing policies to clients because they hide motivations of purchase behaviour and satisfaction.

To sum up, this research can contribute to the existing body of knowledge in the tourism marketing theory highlighting the importance of price perceptions in tourist behaviour. Concretely, the perception of prices is even more relevant than the objective prices paid by clients. This idea should drive tourist managers to influence price perceptions in advertising and communication plans targeted at potential clients, at least in countries where economic recession is lowering the incomes of tourists. This fact is especially significant when taking into account that the factors with the most influence on a crisis in tourism are those with respect to financial crisis and economic crisis (Hall, 2010). The other important contribution of this study is based on the significant role that value for money plays in tourist behaviour. Other studies have pointed out this fact in relation to the effect of value for money on intention to revisit (Ramanathan & Ramanathan, 2011; Supitchayangkool, 2012), or to attract tourists (Phau et al., 2010), or to improve satisfaction (Narayan et al., 2008). However, the use and relevance of this construct to cluster clients are innovative applications.

Finally, some limitations of this study have to be mentioned and are the base for work in the forthcoming papers. The segmentation methods applied in this study have the implicit assumption that segments are stationary in structure and characteristics, but segments could change over time. Wedel and Kamakura (2000) described dynamic segmentation approaches that could be applied to this analysis in further research. In consonance with other authors' recommendations (Brusco, Cradit, & Tashchian, 2003; Mort & Drennan, 2005; Nysveen, Pedersen, & Thorbjornsen, 2005), the idea of joint segmentation on multiple bases applied in the tourism area or extensions that permit overlapping cluster membership should influence future research efforts.

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