

## **Spiritual tourism market segments**

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### **Abstract**

This exploratory pilot study acknowledges the value of segmentation in deepening a positioning strategy when the market segments are effectively defined. To avoid criticism of the technique used to expand spiritual tourism segmentation knowledge, a theoretically justified approach supported the exploration of the research query; the first part of the four phase segmentation process model provided a framework for the study (Goller, Hogg and Kalafatis 2002). In-depth interviews were conducted with spiritual tourism consumers and providers in Australia and Pakistan. The transcriptions of the collected information were analysed using open and axial coding. It was concluded that a distinctive attitudinal characteristic of spiritual tourists, their tendency toward inclusivity/exclusivity, offered the most appropriate base for segmenting the spiritual tourism market.

### **Introduction**

It has been recognised over a considerable period of time that gaining and maintaining a competitive advantage is the basis for achieving business sustainability (Porter 1980). Parsimony in the two-component framework within Porter's generic model is both elegant and sophisticated. The framework accommodates the complex planning necessitated by a business striving for sustainability in the marketplace (Miller and Dess 1993). A competitive advantage strategy encourages strategic planning that encompasses the effect of a changing macro-environment on consumers and value creation for consumers, as primary consumer segments are the final arbiters of business success (Porter 2001).

The two-component framework of the model consists of competitors and positioning. Advantage comes from operational effectiveness and strategic positioning. Operational effectiveness is achieved by 'doing what your competitors do, but better' (Porter 2001, p. 70). Strategic positioning consists of 'doing things differently from competitors, in a way that delivers a unique type of value to customers' (Porter 2001, p. 70). It is only recently that the potential for differentiating the spiritual tourism branded product from other tourism products has been explored (Raj and Morpeth 2007). However, marketing strategy cannot depend solely on product differentiation activities which will only give the marketer a horizontal share of a broad and generalized market (Smith 1995). Effectively defined market segmentation is also a prerequisite of a successful marketing strategy as it creates depth in the market positioning (Smith 1956).

The market for any product is made up of many types of customers (Smith and Culkin 2001). In order to develop plans to meet the company's objectives it is necessary to define the market so the marketing strategy can design 'different applications of the marketing mix to service their needs' (Jenkins and McDonald 1997, p. 17). Psychographic segmentation manages the process of using a non-demographic means of defining the market (Yankelovich 1964). The purpose of this research was to find the most appropriate means of segmenting the spiritual tourism market.

## **Literature Review**

There is an extensive body of literature on strategic positioning supported by market segmentation. The importance of product differentiation and segmentation to strategic positioning has been appreciated over a prolonged period. It has been stated that 'while product differentiation and market segmentation are closely related (perhaps even inseparable) concepts, attempts to distinguish between these approaches may be productive of clarity in theory as well as greater precision in the planning of marketing operations' (Smith 1956, p. 4). The application of market segmentation continues to be closely tied to the marketing concept paradigm, still regarded by many researchers as the dominant marketing management philosophy.

With the maturity of the segmentation literature have come overviews of the segmentation research and a widespread endorsement of segmentation as an important marketing tool (Kotler, Bowen and Makens 2008). While some researchers have suggested that segmentation research has been fragmented and restricted, others have remarked on the lack of methodological rigour in the segmentation processes (Goller, Hogg and Kalafatis 2002; Hoek, Gendall and Esslement 1998). While mindful of this criticism, it is clear that the collection, organisation, analysis, distribution and refinement of data are all important issues in segmentation knowledge management (Shaw, Subramaniam, Tan and Welge 2001).

## **Theoretical Background**

Since knowledge management is critical, this research has drawn upon the four phase segmentation process model to guide the data collection and analysis process in this segmentation study (Goller, Hogg and Kalafatis 2002). The model suggests that these phases consist of: segmentation analysis; segmentation evaluation; implementation of segmentation; and, control of segmentation (Goller, Hogg and Kalafatis 2002, p. 257). Although the model is comprised of four phases, because of the scarcity of research reported in the spiritual tourism segmentation literature, this study focuses on the first phase of the framework. The first phase of segmentation analysis consists of any aspect of the process involved in dividing a diverse market into its various subdivisions (Goller, Hogg and Kalafatis 2002).

There are three elements involved in segmentation analysis: (i) segmentation bases, which can be grouped according to macro variables and micro variables, and segmentation process stages, (ii) research methodologies and (iii) data analysis. Macro-segmentation bases make limited methodological demands since they use secondary data sources and expert judgement. By contrast micro-segmentation bases require the collection of primary data and are therefore more methodologically more demanding (Goller, Hogg and Kalafatis 2002). Micro-segmentation ensures richer data for analysis, thereby enabling the marketer to gain a sound knowledge of the composition of the customer market. Primary data can be organised by 'indexing the knowledge elements, filtering based on content and establishing linkages and relationships among the elements' (Shaw, Subramaniam, Tan and Welge 2001, p. 127). Sound segmentation knowledge is an essential foundation for the strategic positioning of a product.

## Methodology

Spiritual tourism consumers and providers were interviewed in order to establish how to segment the market to deliver unique value to spiritual tourism consumers. Interviews were conducted with spiritual tourists in Pakistan and Australia and several tourism operators in Pakistan and Australia (Griffiee 2005; Guba and Lincoln 2005). Public information records in Australia and Pakistan were accessed to augment the information obtained in the interviews. Interview participants were selected using judgement sampling, supplemented as the study progressed, by the snowballing technique (Browne 2005). The focus in this research was on the quality of data so arriving at a resolution of the research query determined the sample size (Marshall 1996). When additional research participants could not provide any new information leading to the identification of further ideas, the data collection process was saturated, thereby determining the size of the sample (Patten 2007).

Since the research required a richness of data from a range of perspectives (multiple realities) and focus on developing meaning from an interpretive understanding of the data, data triangulation was deemed to be an appropriate process of identifying relevant knowledge (Daengbuppha, Hemmington and Wilkes 2006). In-depth interviews were an effective methodological vehicle for this study since information-rich data from discussions with spiritual tourists and tourism operators was sought (DiCicco-Bloom and Crabtree 2006; Alam 2005). The researcher began the interview by asking the following two questions. *What do you understand by the term spiritual tourism (it may include a trip to a spiritual event, course, seminar, journey, tour or festival)? Do you consider yourself to be spiritual tourist?* The responses to these questions and follow-up probing questions that came from the participants' initial responses resulted in a discussion that had depth and intensity (DiCicco-Bloom and Crabtree 2006; Griffiee 2005).

While the interviews were being conducted and transcribed, work on identifying the themes began (Chauvel and Despres 2002). Once the themes in the collected information emerged, the process of an in-depth data analysis commenced using open and axial coding. During the open coding process, the key ideas expressed by the respondents were highlighted, such as: religion, beliefs, spirituality, destinations and events. At the next phase of axial coding, all these marked codes were re-investigated. The confirmed themes were studied in the context of the research objective of the study and eventually various sub-categories categories and major categories were derived from this exercise. The findings of the research were derived from the in-depth data analysis.

## Findings

The major segmentation category that emerged by the end of the coding process was an attitudinal characteristic, inclusivity/exclusivity. The sub-categories that pointed toward this category were: openness towards all other beliefs, acceptance and appreciation of other faiths, respect for all religions, proud (sometimes arrogant) about self beliefs and religion, no acceptance of other faiths and religions, preference for general spiritual tourism destinations, and, preference for specific spiritual tourism destinations.

The spiritual tourists were clustered toward either one end or the other end of the inclusive/exclusive continuum.

The sample size of spiritual tourists is limited in this exploratory pilot study so, based on the sample dimensions and the nature of the study, prudence dictates that broad inferences drawn from the findings should be avoided. Nonetheless, the following simple descriptive statistical information not only invites cautious deductions about the importance of undertaking further confirmatory research but also indicates the relevance to tourism operators of employing a marketing strategy targeting inclusive Australian and Pakistani spiritual tourists. Of the 41 Australian spiritual tourism participants in the research study, 25 were grouped at the inclusive end of the inclusive/exclusive category. In this study, people with the inclusive characteristic were representative of 61% of the Australian spiritual tourism market sample. Of a total of 26 Pakistani spiritual tourism participants in this research study, 17 were located in the inclusive group. Pakistani participants with the inclusive characteristic represented 65% of that spiritual tourism market. Across both countries, the total inclusive spiritual tourism market was comprised of 63% of the participants in the study. People of many religions displayed this distinguishing inclusive characteristic, whether they were Christians, Muslim, Buddhists, Hindus, Jews or Baha'is.

## **Discussion**

The research established that all the spiritual tourists in Pakistan and Australia interviewed in the study could be segmented using nationality or a distinguishing attitude characteristic, exclusivity/inclusivity. The advantage of selecting a base that cuts across national boundaries means that 'marketing strategies might be developed that will work for similar segments around the globe' (Hassan and Craft 2005, p. 81). Hence, spiritual tourists' exclusive/inclusive characteristic provides a broader global segmentation base than a nationality base. Every spiritual tourist in both Australia and Pakistan fitted into the major exclusive/inclusive category and tourists from both countries were found in both the exclusive subgroup and inclusive subgroup. Thus segmentation on the basis of the spiritual tourist's exclusive/inclusive characteristic was identified as a potentially more frugal segmentation technique because country specific strategies would require further individualised, in-depth research for each additional country before moving into that market.

An additional contribution from this study to spiritual tourism knowledge relates to the impact of culture on spiritual tourism. The Australian and Pakistani cultures have long been regarded as being significantly different (Frank, Hofstede and Bond 1991). However, a significant observation from this study was that the percentages of people in both countries (Australia, 61%, Pakistan, 65%) who have an inclusive attitude toward spiritual tourism are very similar. It is also interesting and commercially valuable to note that they represented more than half (63%) of the spiritual tourism consumers interviewed in the study.

The exploratory nature of the research suggested that a qualitative methodological approach should be used in this study. However, a response error from interviewer bias may be a limitation of the data collection method. Multiple interviewers in follow-up research would overcome this limitation. The practical constraints imposed by the study methodology resulted in a small sample population of spiritual tourism consumers (n=66), a potential limitation of this study. A larger sample in a future quantitative study could improve the validity of the research findings. The sample selection method also had the potential for a

non-response error as participation in the study was completely voluntary. The decision to draw the sample from only two countries also sets the findings within a specific boundary. Further confirmatory research is recommended. Sampling across a range of nationalities and a larger sample population should be considered in the design of further research into spiritual tourism segmentation employing a quantitative method could confirm the reliability and validity of the conclusions of this study's exploratory findings.

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