



Segmentation of the tourism market for Jakarta: Classification of foreign visitors' lifestyle typologies



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ABSTRACT

Tourism market segmentation is considered a valuable marketing tool in creating an effective tourism marketing strategy. This study investigated the differences in visitors' lifestyles that would potentially influence their selection of a holiday destination. The study used a set of activities, interests and opinion items to measure psychographic lifestyle typologies of foreign visitors who traveled to Jakarta. Factor analysis of the data identified six lifestyle factors, which were further analyzed using cluster analysis. The cluster analysis revealed four types of foreign visitors: culture interest shopaholic, sporty culture explorer, aspiring vacationer and want-everything vacationer. The four groups were compared through a chi-square test for independence analysis based on the types as well as the visitors' demographic profiles. Significant differences were found between the four groups in terms of age, race, employment status, number of previous trips to Jakarta, and travel companion.

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1. Introduction

Tourism can be a key contributor to a country's social and economic growth through the creation of employment opportunities in tourism as well as the growth of businesses to support tourism activities. Tourism is also acknowledged as a driver of a country's infrastructure development. Many developing countries view growth in the tourism sector as an indicator of economic development because tourism can generate significant foreign exchange earnings. The World Tourism Organization reported the fastest growth of international tourist arrivals in the South-East Asia sub-region in 2013, with an increase of 11% compared to 2012. The WTO has also forecasted a long-term outlook of international tourist arrivals between 2010 and 2030, with an annual increase of 4.4% of arrivals in emerging destinations (UNWTO, 2014).

Following an increase in tourism in Indonesia, the country's total foreign exchange earnings have increased annually since 2007. In 2014 tourism was one of the largest contributors to Indonesia's foreign exchange earnings after oil, gas, coal and palm oil. Most foreign visitors enter Indonesia through an international airport located close to Jakarta. The airport accounts for the second highest number of foreign visitor arrivals to Indonesia after Bali, the country's most popular tourist destination.

As the capital city of Indonesia, Jakarta is the main gateway to the country and serves as a connecting hub to all of its other major cities.

Foreign visitors passing through Jakarta usually spend at least one day exploring the city before continuing on to other parts of Indonesia. Jakarta has many tourism attractions, including historical and cultural sites, recreational and sport facilities, culinary centers and a great variety of shopping venues, and the city consequently has great potential for becoming an international tourism destination in South-East Asia.

To capitalize on this potential, the Indonesian government plans to triple international tourist arrivals by 2018 and has quadrupled the budget for promoting tourism in Indonesia (Chan, 2015). Promotional activities will be aimed at attracting visitors from Asian countries such as China, Singapore, Malaysia and the Philippines and from European countries such as England and Germany. The government's plan to increase tourism will succeed if an appropriate combination of tourism products and services are created and correctly targeted. Therefore, the government needs to have a valid understanding of the characteristics of foreign visitors who travel to Indonesia.

Due to the competitive nature of the tourism industry, identifying the various lifestyle backgrounds of foreign visitors is crucial for correctly targeting marketing activities. Market segmentation can be used to better understand consumers, which in turn helps to tailor marketing to specific segments of foreign visitors and to enhance existing activities to attract foreign visitors.

Customers' lifestyles underlie their foreign and domestic travel behavior, and a market segmentation strategy in tourism should be done using this information rather than demographic information (Keng & Cheng, 1999). Past tourism literature features several studies using a segmentation method to group visitors (Beh & Bruyere, 2007).

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Differentiating inbound tourists into segments would enable business organizations and small- and medium-sized tourism enterprises (SMTEs) to create attractive tourism products and services that are suitable for each segment. Acknowledging differences between segments would also enable SMTEs to effectively communicate with different segments in marketing activities intended to enhance tourism in Jakarta.

The purpose of this research was to identify the underlying dimensions of foreign visitors' lifestyles, to group inbound visitors according to their lifestyle typologies, and to illustrate how understanding about different segments of foreign visitors can benefit tourism marketing strategies aimed at increasing the number of foreign visitors to Jakarta. This study contributes to the segmentation literature and to the management of tourism by presenting the demographic and lifestyle profiles of different groups of foreign visitors.

2. Literature review

2.1. Segmentation in tourism

Segmentation is a powerful marketing tool in tourism because it brings visitor identities into focus (McCleary, 1995). Psychographic segmentation, a widely used method in tourism, relies on constructs such as benefits, motivation, and preferences as the bases for market segmentation (Dolnicar, 2006). Segmenting heterogeneous tourists based on their motivations enables tourism managers to create products and services that are preferred and valued by target markets (Lee, Lee, & Wicks, 2004).

Tourism marketers recognize the importance of understanding tourists' interests for influencing their decisions about holiday destinations. Each destination attracts certain types of tourists (Buhalis, 2000), and destination marketers must understand their needs and wants in order to manage the destination resources and to attract the right group of tourists (Pesonen, 2012). By classifying foreign visitors into different segments, tourism stakeholders will be able to develop products and services that effectively appeal to each segment. Furthermore, the tourism stakeholders will be able to grow tourism industry competitiveness that is socially, environmentally, and culturally sustainable (Ritchie & Crouch, 2003).

2.2. Consumer lifestyle

Lifestyle reflects the way people live and influences their behavior in consuming products or services, including choosing vacation destinations and activities (Fuller & Matzler, 2008). Lifestyle information is useful for product positioning and market segmentation and it helps in understanding consumers regardless of their culture (Plummer, 1974). Lifestyle typologies are among the most effective segmentation bases within psychographic market segmentation (Lee & Sparks, 2007), and they can be measured by the consumers' activities, interests, and opinions (Wind, 1971). In marketing management, understanding customers' needs and wants through their lifestyle patterns is crucial. Marketers will be able to effectively communicate and market to customers by knowing and understanding their lifestyles (Plummer, 1974).

Psychographics is an operational technique for measuring lifestyles, and the term is interchangeable with consumers' activities, interests, and opinion (AIO) measurements (Blackwell, Miniard, & Engel, 2006). AIO measurements encompass how customers spend their time for various activities such as work, sports, shopping, and entertainment; their commitment to things that they consider interesting and important; and their opinions about themselves, social issues, education, future, culture, and so on (Plummer, 1974). Table 1 lists elements that are included in the major dimensions of lifestyle.

Table 1

Lifestyle dimensions.

Source: Adopted from Plummer (1974).

Lifestyle dimensions			
Activities	Interests	Opinions	Demographics
Work	Family	Themselves	Age
Hobbies	Home	Social issues	Education
Social events	Job	Politics	Income
Vacations	Community	Business	Occupation
Entertainment	Recreation	Economics	Family size
Club membership	Fashion	Education	Dwelling
Community	Food	Products	Geographic
Shopping	Media	Future	City size
Sports	Achievements	Culture	Stage in life cycle

3. Methodology

3.1. Data collection

This study used convenience purposive techniques in selecting samples. Respondents were foreign visitors who were in Jakarta when the study was being conducted. This study applied quota-sampling methods to obtain proportionate samples of foreign visitors who came from Western, Asian, and other countries. The survey was conducted during the last quarter of 2013 at 10 of the most popular tourist attraction sites in Jakarta. Four research assistants who were able to communicate in English were trained and hired to distribute self-administered questionnaires to foreign visitors. Direct intercept surveys were conducted to obtain responses from foreign visitors. Visitors were asked to fill out the questionnaires and return them to the research assistants, and the research assistants confirmed that the questionnaires had been completed.

Selection criteria for foreign visitors participating in this study included being 18 years old or older, having spent more than one day in Jakarta, and being able to communicate in English. A total of 393 completed and usable questionnaires were obtained within a period of one month.

3.2. Questionnaire design

The survey instrument used in this study was a self-administered questionnaire comprising two parts. The first part included two filter questions to measure respondents' fluency in English and to identify their purpose for visiting Jakarta. The next seven questions pertained to nationality, age, gender, education level, travel arrangement, travel companions, and previous trips to Jakarta. The second part contained 38 AIO measurement items covering tourists' activities, including how they spent their time and money, what their interests were, and what opinions they held about themselves and their surroundings. The AIO statements were generated based on previous lifestyle segmentation studies and were measured based on a seven-point Likert type scale (where 1 = strongly disagree, 2 = disagree, 3 = slightly disagree, 4 = neutral, 5 = slightly agree, 6 = agree, 7 = strongly agree).

The face validity of the statements for the measurement items was evaluated through pretesting. The pretest involved asking 10 lecturers at a private business school in Jakarta who were fluent in English and had traveled abroad to assess the AIO statements. Based on the assessment, statements were clarified and their suitability as a lifestyle measurement was confirmed.

3.3. Lifestyle measurement

The measurement for lifestyle was developed by following the dimensions proposed by Plummer (1974) and by incorporating statements from previous research (Chang, 2006; Plummer, 1971; Yang, Cheng, & Yu, 2012) on elements of AIO dimensions. Twelve statements that represented vacations, entertainment, shopping,

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