

VISITOR SEGMENTATION

Visitor segmentation is simply dividing visitors into different groups, or segments, based upon common characteristics shared by the visitors. For example, visitors can be grouped by age, income, lifestyle choices, behaviours, or a combination of these.

Traditionally, demographics have been used as one of the main methods of segmenting winery visitors. However, recent research consistently suggests that winery visitors cross all age segments in reasonably even numbers. The needs of different age groups – especially the younger groups of 18-24 and 25-40 (commonly referred to as Generation Y and X respectively) – can differ considerably. Young people today have significantly higher disposable incomes than their parents and are willing to spend it – especially on “lifestyle” related products. Thus, wineries need to create experiences that foster an interest in wine among younger visitors and meet their expectations. Some of these expectations include entertainment, social interaction, convivial atmosphere and personalised service. Older visitors also expect personal service, but many tend to focus more on the wine itself and a structured approach is favoured.

Another method of segmentation has been identified that involves three broad winery visitor categories based on wine involvement:

- The Committed Wine Consumer
- The Traditional Consumer
- The Uninvolved Consumer

Wine Involvement is a marketing term applied to the purchasing behaviours and characteristics of wine consumers generally. Committed wine consumers demonstrate “High Involvement” and tend to have a high degree of wine knowledge gained through a willingness to seek information and learn because wine is an important part of their lifestyle. These consumers place considerable importance on wine quality and style, regional attributes and individual winemakers and brands. They buy regularly across the mid to higher priced ranges. In contrast, “Low Involvement” wine consumers tend to purchase infrequently and don’t seek specialised information about wine in general. They tend to be influenced more by price, variety and brand recognition. Converting these visitors to customers at the cellar door requires an experiential driven strategy, as the wine alone won’t usually be enough to establish loyalty.

According to the research each of these segments has different characteristics, which are summarised below:

Committed Wine Consumer	Traditional Consumer	Uninvolved Consumer
Regular purchaser on a weekly basis Tends to purchase higher priced wines Skew towards 45-54 age group Represents 28% of cellar door visitors Most likely to purchase at cellar door Seeks information primarily from journals, magazines, winery	Buys regularly Tends to purchase mid priced wines regularly and higher priced wines occasionally Represents 29% of cellar door visitors Seeks information primarily from newspapers, retailers	Buys infrequently Tends to purchase lower priced wines Represents 43% of cellar door visitors Seeks information primarily from TV, radio, newspapers Positive cellar door experience impacts heavily on purchase behaviour Least likely to purchase, but highest average dollar sale
Greatest frequency of visits to cellar doors per trip Greatest repeat visitation to cellar doors		

[Source: Understanding the Impact of Wine Tourism on Future Wine Purchasing Behaviour : Wine Tourism Experiences and Future behaviour (Barry O'Mahony, John Hall, Larry Lockshin, Leo Jago and Graham Brown). Funded by the Sustainable Tourism CRC]

Key Australian Segments

Another form of market segmentation, relating specifically to tourism, is that used in the recent See Australia advertising campaign, where extensive research was conducted to characterise key consumer segments relevant for tourism. This research was based on the domestic Australian population, and tourism organisations and wine regions have made significant use of this segmentation as a means for target marketing. The segments are defined as follows:

Pampadours	21% of the Australian population. Predominantly female with a peak in the 45 to 64 year age group. Travel in couples. Strictly five-star tastes. Holiday to recharge, relax and indulge. Spend more than \$172.20 per day – highest average spend of all five segments. Average 10.6 days/year on domestic holiday. Over 70% took their last holiday in Australia.
Compatriots	25% of the population, ranging in age from 25-44 years. 61% of Compatriots are female. The most family-orientated segment. Holiday activities primarily driven by children's needs. Spend \$110.73, the lowest average spend per day. The largest proportion (88%) of Compatriots took their last holiday in Australia and 56% bundled the family into their car and drove to their holiday destination. Choose coastal destinations and like to return to the same place each holiday.
Wanderers	17% of the population. 54-75 years age group. 45% retired. 83% have partners and partner is usually the travel companion. Spend \$132.13 per day. Frequent holiday takers, prefer to travel domestically. Enjoy travelling by car but do use all modes of transport. Shy away from five-star accommodation and don't wish to be pampered. Enjoy visiting different destinations each time they holiday and prefer to observe these destinations and check out the local attractions, rather than immerse themselves in the culture. Tend to steer clear of family holiday destinations.
True Traveller	17% of the population. Mostly under the age of 45. Unlikely to have children and are the segment most likely to travel solo. They enjoyed the most holidays of each segment over the last year. Spend \$125.88 per day. 71% of True Travellers travelled domestically for their last holiday, while 24% holidayed overseas. Seek high-risk, adventurous physical challenges on their holiday. Holidays are also about DIY. Internet savvy and find most of their holiday information on the Internet.
The Groupies	18% of the population, 1 in 3 are students and travel in school holidays. Young, single males aged between 15 and 24 years and while on holiday they are out to party. Average spend per day is \$122.82. 52% of Groupies holidayed over the past 12 months, 87% in Australia. Internet savvy, find a large amount of their travel information on the Internet.

An analysis of the segments suggests that the Pampadours are the most likely target for wineries, however catering for one demographic at the expense of others can be like putting 'all your eggs in one basket'. Understanding the attraction of the entire region in relation to different segments is also important, as wineries themselves cannot necessarily cater for every visitor type. Small wineries with limited resources may be best served developing marketing and promotional strategies relevant to specific markets, whereas those with additional facilities (restaurants, tours, etc) can appeal to a range of segments and undertake more general tourism marketing campaigns.

The Consumer Perspective on Quality

In terms of visitor satisfaction, the importance of wine quality can differ between different segments. According to Charters & O'Neill (2001) winery visitors base their decisions on whether to buy wine on service satisfaction above any other factor, including wine quality. Findings from additional research by Charters & Fountain (WIJ Vol 19, No.5 2004) indicated that younger winery visitors seemed to place more importance on the entire experience rather than explicitly on the wine itself.

According to Rich Cartiere (Wine Market Report, USA), consumer polls over the last 15 years clearly demonstrate that consumers want more information about where wine is made and grown and they want to visit the area in which it is made and grown. He contends that drinking wine (generally) leads to seeking more information on wine areas, which leads to a desire for wine related tourism, which in turn leads to actual visits to wineries and wine regions. In this case, wine itself is the catalyst for wine tourism.

Cartiere also attests that wine drinking and wine tourism are part of a major new consumer trend: a demand for "New Luxury" products. New Luxury products meet consumers' needs for high quality, emotional satisfaction and relevance rather than merely convenience and practicality.

The Boston Consulting Group claims that consumers are willing to pay up to 10 times traditional prices in exchange for a premium experience or product. For “New Luxury” consumers, this premium product must demonstrate the following attributes:

- Taking Care of Me – ways to manage the physical, emotional and spiritual stresses of life
- Connecting – alignment with values and behaviours to gain a sense of belonging with others who buy the same products
- Investing – safety and security through durability, increase in value over time
- Questing – ways to experience as much as possible of the incredible offerings of the world; the concept of the “once in a lifetime experience” experienced many times.

Attracting New Luxury consumers requires a strategy that addresses the above needs, which wine, wineries and wine regions are well placed to do. Customer service, wine quality and value are likely to be of significant importance to this segment.