Abstract

This study examined the characteristics of market segments of local hotels from the demand and supply perspectives. A combination of a posteriori segmentation and academic typologies was used to provide a psychological and behavioural understanding of the market segments.

From the demand viewpoint, cluster analysis was performed on the data set of 189 tourist interviews to form five new market segments, after which hotel preferences were identified for each segment. From the supply perspective, data from 38 hotels provided an indication of which types of tourist segmented by their purpose of visits and travel arrangement, stayed at which types of hotels.

The findings suggested existing differences between where the tourists stayed and where they preferred to stay. The cluster results implied that hotel preferences of tourists were affected by their purpose of visit, occupation, travelling characteristics and length of stay in Singapore. By identifying the travel characteristics and psychological behaviour of their target market, hoteliers can use the results of this study to capture these ‘preferences’ and ‘differences’ in their marketing strategies.

Keywords: Market segmentation, typologies, hotel, tourist, purpose of visits, travel arrangement, preferred accommodation choice, cluster analysis.