

## Market Segmentation of Festival Attendees of an International Festival



Source: Nair, V. R. (n.d.). People at concert. [Online image]. Pexels. Retrieved from <https://www.pexels.com/photo/people-at-concert-1105666/>



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## **Abstract**

In the market segmentation of festival attendees' application activity, students will review a mini-lecture material related to market segmentation, target marketing and event positioning.

Students will then apply the concepts of marketing segmentation, target marketing, and event positioning by analyzing data collected from an international music festival to establish the target market of the international music festival.

## **Key Topics**

Festival attendee segmentation, festival target market, festival positioning

## **Target Audience**

Students enrolled in an event management or marketing course.

## **Pedagogy**

This case study has been designed for use in an active learning pedagogy, such as team-based learning, case studies, peer teaching, debates, just-in-time teaching, and other active learning pedagogies.

## **Learning Objectives**

1. Describe terms market segmentation, target marketing, and event positioning
2. Summarize the pros and cons of market segmentation
3. Identify rationale for the use of market segmentation
4. Analyze data to determine a market segment for an international festival

## **Teaching Plan**

	Element	Suggested Time
1	Listen to Stakeholder Mini-Lecture	15 minutes
2	Segmentation and Target Marketing Application Activity	30-40 minutes
3	Application Questions	15-20 minutes
4	Debriefing	15-20 minutes

## **Author**

Dr. Eric D. Olson, Iowa State University

## **Funding**

This project is supported by the Iowa State University Miller Open Education Mini-Grant.

**Disclaimer**

This case study is to be solely used for educational purposes and is based on both factual and fictional information.

## **Market Segmentation of Festival Attendees of an International Festival**

A mini-lecture titled, “Stakeholder Development in Event Management” is available on Vimeo is and should be used with this application activity.

Website for mini-lecture: <https://vimeo.com/hsodl/review/382457207/40673f6b73>

Password: ISU\_eventmanagement!

Transcript of mini-lecture:

Greetings everyone. The title of this mini-lecture is “Market Segmentation of Festival Attendees” and corresponds to the event management open education resources. And specifically this mini-lecture should be used in conjunction with the market segmentation festival attendees’ application activity. Support for this project is from Iowa State University, Miller Open Education Mini Grant.

There are four learning outcomes that are part of this mini-lecture. Number one is to describe terms market segmentation, target marketing, and event positioning. The second objective of this mini-lecture is to summarize the pros and cons of marketing segmentation. The third learning objective is to identify the rationale for the use of market segmentation. And last but not least, you will be able to analyze data to determine a specific market segment and market target for an international festival on based on actual data. There are several reasons why segmentation is becoming such an important aspect and an important skill for event marketers as well as event managers to actually have. From a demand side, event-goers today are more sophisticated and more knowledgeable than ever before. One of the main reasons on why is because event-goers today have access to more technology and information about events.

Furthermore, event-goers have very unique needs, wants, and aspirations in terms of consumer experiences on what they actually want from an event experience. Now from a supply side perspective, there has been an increase in the sheer number, as well as a variety of events and festivals that are competing for event attendees. So from a competition perspective there's just more out there. So it's because of these perspectives from both the demand side of the event-goers as well as from the supply side from the competitive landscape that many would argue that having a very fine-tuned market segment becomes very important; because after all, consider the following idea or the falling question: is there one event, one convention, one festival that everyone actually goes to or has been to before?

The answer is probably not. There's just too many events out there and everyone has such unique needs and wants and aspirations and desires from consumer experiences that there really isn't an event or a festival that caters to be one thing to every single person. So as result, many would argue that one needs to have a very well fine-tuned target market based on principles of market segmentation as well as market positioning in order to create an effective, as well successful event or festival. The first stage in this process is called market segmentation. And in this stage, the event manager takes a step back and

divides an entire potential market into identifiable segments. And when we look at previous markets, marketers suggest that we can do this in one out of four ways: from a geographic segmentation perspective, demographics segmentation, psychographic segmentation, and behavioral segmentation.

Let's take a minute or so and kind of talk about each of these different market segmentations. If an event, a marketer was to break up entire market segment into a geographic perspective, they would be breaking up the entire market essentially where one actually lives. Other dimensions of geographic market segmentation have to do with the density, the number of people in some sort of a square unit, such as a square mile as an extension of that. An urban area or suburban area is actually denser than a rural area. And then also climate is another way that one can actually break up entire market. And after geographic segmentation, most people are familiar with demographic segmentation because this is a very common as well as a very easy way in order to break up an entire market. Aspects of demographics include age, gender, occupation, household income, family size...aspects all related to demographic market segmentation.

The advantage of demographics segmentation is that it's very easy to do. Marketers like this and can do it very efficiently. For example, in a zip code, I can figure out in terms of age brackets, such as those that are Baby Boomers, those are Generation X, Generation Y and Generation Z. I can do this pretty simple. The hard part though is I may take a two profiles of a very similar demographic; even though they're the same or similar demographic profiles, it will not tell me anything on how they actually spend their money, what sort of events they actually go to, or what sort of consumers they actually are. So as a result, psychographic segmentation becomes a very important. Psychographic segmentation can be broken up in terms of lifestyle attitudes as well as beliefs. And last but not least, the fourth market segmentation variable that event attendees can often use is behavioral segmentation.

And I think for a lot of folks have, this is kind of a newer idea of market segmentation, but the rationale behind behavioral segmentation is that it has to do with loyalty festival usage and what people actually receive in terms of the benefits of that actual festival. From a loyalty perspective, if the event attendee goes every single year, goes to all the different events of that specific event, or perhaps it's kind of their first time of going to the actual a festival. The benefits they actually receive from going to that actual product or that, that festival. Is that a chance to spend time to the friends or family? Is it a chance to escape from daily life? Is there a chance to be entertained or to be educated or to try something new....these aspects would all fall under the behavioral segmentation dimension.

All right, so after this stage of market segmentation, we are dividing up an entire market by these identifiable segments. Next process of the next stage in this process is target marketing. We are going to utilize market research data and information to add quantifiable components behind each of those market segments. For example, the number of people, the buying power, and the level of consumer confidence would all be attributes that would fall into that category. And from there, the event marketer is going to select

the target market or the target markets, which can actually be defined as the group of event attendees. That is most likely going to go to your actual event or festival. So in this stage we are adding that quantifiable information to actually make those market decisions in terms of identifying the actual target market.

So in the first stage we broke up our entire market into identifiable segments. In the second stage, we have utilized a data and information to create our actual target market. Now in our third stage, we are going to embrace in a concept called market positioning. And market positioning can be defined as the unique event attributes compared to competitors. And I think a lot of times positioning has to deal with essentially what your event attendees think about your actual festival or your event compared to other events or to compare to competitors. And marketers would tell us that we can actually position our event or our festival in a in a wide variety of different aspects. And then the next step then is we actually communicate those unique attributes to the target market. So let's just talk for a minute about the different ways that we can actually position our actual event or festival.

First, we can do it on location. This is a very common way. For example, state fairs, county fairs, neighborhood festivals, all embrace in a positioning in terms of where the event is actually located. Level of service and level of personnel can also be another way that we can actually position our, our festival. So when our event attendees go to our festival, because of our wonderful training program, because of our recruitment, our retention efforts, the level of service level and interaction could be another way that we actually position our actual festival. Prestige level is another way that marketers can actually position their a festival or their actual event, the value, what one actually receives as a result of going to festival or to the actual event is actually another way to position our event.

And another way we can actually do that is going to be the specific facts or features or statistics of that actual festival itself. For example, the number of days that the festival actually operates, the content, the programming, the guest speakers, the entertainers, the food and beverage, the number of parking spaces that are available could all be ways in which an event marker marketer can actually position the festival or the event based on festival attributes.

So this concludes our discussion on target marketing. Let's do a very quick recap of the market segmentation process. In the first phase, we actually break up our entire market into identifiable segments. And then the second step we embrace in target market and we add quantifiable data and information to select the target market and or target markets, the group of people with identifiable segments that are most likely going to go to the actual festival or event. And then in the third stage is market positioning where we examine the unique attributes of that festival or that event and create a marketing campaign and communicate that market and that festival or that event to the intended target market. And this does conclude this mini-lecture on market segmentation of festival attendees. Thank you.



- 1 = Local Resident (from Aruba)
- 2 = United States
- 3 = International, non-United States

One will need to examine each segmentation variable to examine the various number of ASBMF event attendees that had the segmentation characteristic. The Coding Key can then be used for the remaining segmentation variables of age cohort, gender, education, household income, favorite type of music, patronage, reasons for attending the festival, and booking window.

*Hint:* You will notice in the data file that there will be several data entries that do not make sense. For example, in the “Where From” geographic segment, there are data entries that are not part of the options or are incorrect options. The instructor may need to provide guidance and additional information on why there are segmentation options that are out of scope or are incorrect options. There are several reasons why this could be, such as a data entry error or an incomplete survey response from an event attendee.

Appendix B lists five application activity questions that can be used in conjunction with this application activity.



## **Appendix A Coding Key**

### **Where From**

- 1 = Local Resident
- 2 = United States
- 3 = International, non-US

### **Age Cohort**

- 1 = Generation Y
- 2 = Generation X
- 3 = Baby Boomers
- 4 = Greatest Generation

### **Gender**

- 1 = Male
- 2 = Female
- 3 = Other

### **Education**

- 1 = High school degree
- 2 = Some college credits
- 3 = College degree
- 4 = Some graduate credits
- 5 = Graduate degree

### **Household Income**

- 1 = under \$25,000
- 2 = \$25,000 - \$49,999
- 3 = \$50,000 - \$74,999
- 4 = \$75,000 or older

### **Favorite Type of Music**

- 1 = R&B
- 2 = Pop
- 3 = Country
- 4 = Blues
- 5 = Other

### **Patronage**

- 1 = First time to the festival
- 2 = Been to the festival before

### **Reasons for attending Festival**

- 1 = Festival provides an opportunity to spend time with friends/family
- 2 = Festival is something to do after you see the beaches
- 3 = The festival is close to tourists' hotels
- 4 = The value of the festival

**Booking Window**

1 = Walk-up

2 = Within the last week

3 = Within the last month

4 = 30 days or over

## Appendix B

### Application Activity Questions

- 1) Choose the most likely target market for the Aruba Soul Beach Music Festival (ASBMF):
  - a) Generation X residents with college degrees and incomes over \$75K who like R&B music and have been to the festival before
  - b) Generation Y female tourists from the United States with college degrees and incomes over \$75K who like R&B music and have never been to the festival before
  - c) Generation X female tourists from the United States with college degrees and incomes over \$75K who like R&B music and have never been to the festival before
  - d) Generation Y female tourists from the United States with college degrees and incomes over \$75K who like R&B music and have never been to the festival before
  - e) Generation Y female tourists from other countries with college degrees and incomes over \$75K who like R&B music and have been to the festival before

*Justification:*

- 2) Choose the correct behavioral segmentation variable for the target market.
  - a) Age
  - b) Interest in R&B music
  - c) Prior travel to Aruba
  - d) Prior attendance at the ASBMF
  - e) C or D

*Justification:*

- 3) Based on the data set, how should the ASBMF be positioned?
  - a) Physical attributes of the festival itself
  - b) Service/personnel provided at the festival
  - c) Location of the festival (Aruba)
  - d) A prestige festival

*Justification:*

4) What are the key findings from the “Booking Window” data? How committed are the ASBMF attendees to the festival? What can ASBMF organizers do about the commitment level of attendees?

### Application Activity Instructor Key

Answer	Classroom Instruction
Question 1. Answers: c	Discuss the importance of utilizing quantifiable data to guide decision making of examining segmentation variables and target marketing.
Question 2. Answer: e	Discuss segmentation variables of geographic, demographic, psychographic, and behavioral segmentation.
Question 3 Answer: c	Review the various ways a festival could be positioned.
Question 4 Answer: answers will vary	<p>A majority of the ASBMF attendees committed to going to the ASBMF in the last week or month. This suggests that many attendees may not be as committed to the festival (compared to other music festival events, where attendees often purchase their ticket months in advance of the festival).</p> <p>The instructor should discuss the various implications for this finding and examine how ASBMF organizers could respond to this finding. The instructor could also discuss the level of commitment to the ASBMF in conjunction of overall tourism decisions.</p>