FACTORS INFLUENCING MARKET SEGMENTATION IN THE HOTEL INDUSTRY

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Abstract

Market segmentation has been widely employed to give hoteliers understanding, identify attractive target segments and develop a marketing offer customised to needs of clients. The study sought to identify the criteria used by hotels in segmenting their markets in the Tamale Metropolis in Ghana, to determine the effects of the criteria identified on the performance of hotels and to establish the relevant consumer characteristics necessary for market segmentation of the hotel industry. The researchers used descriptive survey as research design with purposive and accidental sampling techniques to select the respondents for the study. Questionnaire was used as research instrument and the data analysed using quantitative and qualitative data analytical methods. The study revealed that the measurability and actionability featured more prominently as criteria for market segmentation of hotels in Tamale Metropolis. It concludes that market segmentation promotes competition and enhances performance of hotels in the Tamale Metropolis. The Researchers recommend that market segmentation as a marketing strategy is taken seriously by hotels since it promotes quality service delivery and can serve as a competitive edge among hotels.

Keywords: Tamale metropolis, market segmentation, hospitality industry, marketing
INTRODUCTION

The hospitality industry’s main function is to offer travellers homes away from homes and provide friendly reception and warm greetings (Walker, 2007). It is made up of businesses that provide lodging, food and other services to travellers, the main components are hotels, motels, inns, resorts and restaurants. The industry is both national and international in nature and in terms of accommodation it ranges from luxury to budget hotels, from city centre business properties to tourism resorts and from motels to health spas, In the wider sense, time-share, caravanning and camping should be considered a part of the industry (Ghosh, 2006).

The hospitality and tourism industry in Ghana has moved from the side-lines to the Centre stage of socio-economic strategies. Currently, Ghana ranks 14th on the list of most visited tourism destinations in Africa (ISSER, 2009). The relevance of hotel units in the hospitality and tourism industry cannot be over-estimated. Accommodation (hotels) takes 31% of tourists’ expenditure-averaging US $1 million per trip (Ghana Review International, 1998).

Any organisation, whether public or private, profit or non-profit, has to understand the make-up of its market(s) in order to provide products and services which meet clients’ needs and wants. To this end, the concept of market segmentation was therefore introduced in the hotel sector to provide greater understanding of the customer so as to meet their needs. This strategy tends to have a trinity aim: for hotels to increase sales volume; to achieve high market share; and to properly meet the needs and wants of organisations’ target markets.

Statement of the Problem

Management decision quality depends on the ability to understand the functioning of the market served, with the strongly interrelated strategic marketing issues of competition and market segmentation representing crucial issues of market knowledge. However, in a competitive marketplace, market segmentation is the key to success. The concept of market segmentation can be implemented best when there is a sound basis of knowledge about the target group. Basic to this knowledge depends on statistical information of consumers in terms of (a) demographics (b) psychographics (c) geographic and (d) socio-cultural variables.

In an era of increasing sophistication of customers’ demand, when hotel facilities such as room, restaurant, bar, nightclub or health club are no longer considered a luxury, hoteliers go to great lengths to provide unique benefits to customers and turn to different strategies, amongst which market segmentation forms one of the most important marketing strategies in hotel management. In this context, there have been very few studies on the factors that influence market segmentation in the Ghanaian hotel industry in general and Tamale Metropolis
in particular; hence this study will fill the gap by identifying factors that are relevant to market segmentation in the hotel industry in the Tamale Metropolis of Ghana.

**Objectives of the Research**
Specifically, the study will seek to;

1. Identify the criteria used by hotels in the Tamale Metropolis in segmenting their markets.
2. Determine the effect(s) of the criteria identified on the performance of these hotels in under study.
3. Establish the relevant consumer characteristics necessary for segmentation of hotels.

**Research Questions**
The research seeks to find out answers to the following questions;

- What criteria are used by hotels in the Tamale Metropolis in segmenting their markets?
- How do the criteria of segmentation affect the performance of hotels in the Tamale metropolis?
- What are the relevant consumer characteristics necessary for segmentation of hotels in the Tamale metropolis for competitive advantage?

**Significance of the Study**
The study will help identify the criteria used in segmenting the market of the hotel industry in the Tamale Metropolis. Through this, potential and existing investors in the hotel industry would be informed on the types of markets that are available in the hotel industry so as to identify a specific market that is worth investing into. This would not only help investors to maximise the returns in the end but would also help to develop the industry to generate employment opportunities for many Ghanaians.

However, very little is also known of any study conducted on factors influencing market segmentation of the hotel industry in the Tamale Metropolis. This study is therefore significant on the backdrop that it will fill the existing gap of knowledge in this regard. The study will therefore be relevant to institutions such as the Ghana Tourist Authority as reference document for individuals and bodies interested in establishing hotels in the Tamale Metropolis, as it will guide them in their choice of market.
REVIEW OF RELATED LITERATURE

Overview into the Dynamics of Market Segmentation

Market segmentation involve the breaking down of the total market for a product or service into distinct sub-groups or segments, where each may conceivably represent a distinct target market to be reached with a distinctive marketing mix with the aim of meeting the customer’s needs and wants. The purpose of market segmentation is to leverage scarce resources. In other words, to ensure that the elements of the marketing mix, price, distribution, products and promotion, are designed to meet particular needs of different customer groups (Myers, 1996). Market thus, has special characteristics which are significant to marketing strategy and therefore making marketing segmentation necessary. Market segments consist of group of customers who share a similar set of needs and wants (Kotler and Keller, 2006). It is also a subgroup of people or organisations sharing one or more characteristics that cause them to have similar product needs. Segmentation is used when the difference between consumers are seen to be substantial enough. To effectively market a product, customers are put into groups, (Pickton and Broderick, 2005). According to Etzel et al (2001), the central focus of the concept of market segmentation is based on the issue of identifying and clustering heterogeneous consumers into a group of one or more meaningful, viable and accessible homogeneous consumers.

Middleton (2008) and Bearden et al (2004) express that the more an organisation knows about its customers and prospective customers-their needs and desires, their attitude and behaviour-the better it will be able to design and implement the marketing efforts required to stimulate their purchasing decisions. Cannon (2003) also argues that the aim of market segmentation is to meet the needs of subgroups, protect the firm’s offerings from competition on price, and improve the customer loyalty and company returns.

Approaches to Segmenting Markets

According to Dolnicar (2002), there are two main approaches to segmenting markets, The first adopts the view that the market is considered to consist of customers which are essentially the same, so the task is to identify groups which share particular differences. This is referred to as the breakdown method. The second approach considers a market to consist of customers that are all different. This is known as the build-up method. The breakdown approach is perhaps the most established, well recognised and mostly used for segmenting consumer markets. The build-up approach seeks to move from the individual level where all customers are different, to a more general level of analysis based on the identification of similarities (Freytag and Clarke, 2001).
Criteria for Effective Segmentation

Market segmentation aims to divide markets comprised of individuals into groups whose characteristics are relatively homogeneous within each set or segment and heterogeneous between segments, based on an identified set of variables (Kara and Kaynak, 1997) as cited by Fuller et al (2005). Marketing academics and practitioners have adopted the concept of market segmentation enthusiastically. The benefits have been seen to include an ability to gain a fuller understanding of a particular market, improved techniques to predict consumer behaviour, and an improved ability to identify and exploit new market opportunities for commercial benefit (Heok, Gendall and Esslemont, 1996).

There is no limit to the number of ways a particular market may be segmented in particular circumstance, but as a rule of thumb, a useful segment must satisfy certain critical criteria. A useful segment according to Caroline et al (1998), and Bearden et al (1995), must be accessible, measurable, substantial (sizeable), durable and actionable.

Further enforced by Kotler et al (2001), segmentation effectiveness depends on arriving at segments which are measurable, accessible, substantial, actionable and differentiable. Kotler et al. (2001), refers to a measurable segment as one where the size of the segment and the related purchasing power can be quantified. Bearden et al (1995) further argued that measurability reflects the degree to which the size and purchasing power of segments can be assessed.

For a segment to be accessible, it must be able to be reached and served effectively by the marketing entity. According to Adcock et al (1998), accessibility is described as the degree to which a firm can reach intended target segment efficiently; that is the selected target market segments must be reachable with unique marketing communications and distribution channel, for a given product.

Kotler et al (2001) emphasise that the segment must be substantial in that it is large and profitable enough to warrant the marketing entity to design marketing mix strategies that are differentiated from strategies that target other segments. Substantiality refers to the degree to which identified target segments are large enough or have sufficient sales and profit potential to warrant unique or separate marketing programmes (Bearden et al, 2004).

The segment must also be actionable in that the marketing entity can design effective marketing strategies to attract and serve the segment and for the segments to be differentiable, they must respond differently to different marketing stimuli. Actionability, according to Adcock et al (1998), refers to the degree to which effective programmes can be designed for attracting and serving segments. Therefore, segments selected must be reached and be acted upon.
The foregoing forms the fundamental criteria for identifying and selecting a useful segment. In this light, the criteria established by Schiffman and Kanuk (2009), and Bearden et al. (1995) represent a sound and useful criteria for the determination of a viable and an attractive segment to target and therefore constitute the theoretical basis for this study.

**METHODOLOGY**

**Research Design**

Descriptive survey design was applied to obtain in-depth information from the respondents on the factors influencing market segmentation of the hotel industry in the Tamale Metropolis. This design was deemed appropriate for the study in view of its flexibility and ability to describe the respondents’ characteristics and views on the factors influencing market segmentation in the Ghanaian hospitality industry using the Tamale Metropolis as a case.

**Study population and sample size**

The population for the study consisted of the management (staff) and customers/clients of hotels in the Tamale Metropolis that has been certified and licensed by the Ghana Tourism Authority and registered with the Ghana Hotels Association (GHA). However, the number of hotels were quite large hence a sample of four (4) hotels comprising two (2) 2star hotels and two (2) 1star hotels were purposively selected for the study involving a total of one-hundred and sixty (160) respondents. A quota of forty (40) respondents were allocated to each hotel with five (5) respondents being staff while the remaining thirty five (35) respondents of these quotas being clients who had visited these facilities for their services.

**Sampling Method and Procedure**

Four well-established hotels were purposively selected for the study. These included Picorna Hotel (2star hotel), Radach Hotel (2star hotel), Las Hotel (1star hotel) and Gariba Lodge (1star hotel). The reason is that these hotels are very popular and had high quality staff that could provide the key characteristics of respondents needed to be involved to achieve the objectives of this study. The five (5) respondents selected as staff of each hotel was done using purposive sampling technique whiles the other thirty five (35) respondents who happened to be customers to each of these hotels were also selected using accidental sampling technique. In this regard, the researcher included respondents for the study based on availability and readiness to administer the questionnaires.
The research instrument
This study adopted questionnaire as the research instrument for the study. Two set of semi-structured questionnaires were presented to the respondents to complete. The first questionnaire was presented to staff of the four selected hotels and the issues it sought to address included respondents views on the criteria used by hotels in segmenting their markets and the variables that are necessary for market segmentation in the study area. The concluding issue presented in the first questionnaire was on the effects of the segmentation criteria on the performance of hotels in the study area. The second questionnaire elicited views of hotel clients on the consumer characteristics necessary for market segmentation in the Tamale Metropolis.

RESULTS AND DISCUSSION
Criteria for Market Segmentation
The respondents (Hotel staff) were asked to rank market segmentation criteria use by the hotels in relation to size to accessibility, measurability, substantial, durability and actionability of the market. The results as in Figure 1 revealed that 20% of the respondents considered actionability of market as the most important criterion, while 35% of them also indicated that measurability to be the most important criterion for market segmentation in the metropolis. Further analyses of the data revealed that 15% of the respondents also opted for accessibility, durability and substantiality each as the main criteria for market segmentation in the hotel industry within the Tamale Metropolis.

Figure 1: Most Favoured Criteria for market segmentation
From the analyses majority of the respondents considered actionability and measurability as the main criteria for hotel market segmentation in the Metropolis. The finding of the study therefore agrees with the view of Kotler et al. (2001) that measurability is an important market segmentation criterion.

**Effects of Market Segmentation Criteria on Hotels Performance**

Analyses of field data obtained from the respondents revealed that market segmentation had positive influence on the revenue accrued to hotels in the Tamale Metropolis. For example, the results of the field data indicated that 75% of the respondents agreed that market segmentation leads to an increase in revenues of hotels in the study area. The results are shown in Figure 2.

![Figure 2: Effects of market segmentation on revenue of hotels](image)

Further analyses of the data indicates that 20% of the respondents said segmentation had no influence on their revenue levels while the remaining 5% of them said market segmentation had negative influence on their revenue levels. Market segmentation has a positive effect on the revenue levels of hotels as it helps to identify the customers that the business can serve better so as to increase sales, revenue and profitability of their businesses.

Segmentation brings about favourable competition among hotels and the results are presented in the Table 1. Statistically, 45% of the respondents selected for the study agreed that market segmentation brings about higher competition among hotels in the Tamale Metropolis.
Table 1: Market segmentation and competition

<table>
<thead>
<tr>
<th>Level of agreement</th>
<th>Frequency</th>
<th>Percentages (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>9</td>
<td>45</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>7</td>
<td>35</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>20</strong></td>
<td><strong>100</strong></td>
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Similarly, 35% of the respondents also indicated ‘strongly agree’ while the remaining constituted 20% held the view that market segmentation could not bring about competition among the hotels. In effect, it could be deduced that market segmentation has the tendency of encouraging competition among the hotels in the Tamale Metropolis thereby compelling the players in the industry to provide quality service to customers. This therefore serves as a positive effect on the performance of these hotels.

The study again revealed that segmentation encourages the provision of variety but quality services to the identified customers in the Tamale Metropolis. As illustrated in Table 2, when asked whether segmentation could bring about the provision of wider services to customers by hotels, 40% and 30% of the respondents indicated ‘agree’ and ‘strongly agree’ respectively.

Table 2: Market segmentation and provision of wider services to customers

<table>
<thead>
<tr>
<th>Level of agreement</th>
<th>Frequency</th>
<th>Percentages (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>8</td>
<td>40</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>6</td>
<td>30</td>
</tr>
<tr>
<td>Disagree</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>20</strong></td>
<td><strong>100</strong></td>
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</table>

Also, 20% indicated ‘disagree’ while the remaining 10% indicated ‘strongly disagree’. The results is, therefore, conclusive that market segmentation had positive effect on the performance of hotels in the Tamale Metropolis as it could encourage various hotels to improve their services in order to stay in business. With this, customers become the eventual beneficiaries of these improvements in performance of the hotels.
Consumer Characteristics for Market Segmentation

The study revealed that majority of clients who patronise hotel services in the Tamale Metropolis were between the ages of 30-49 and the results are illustrated in Table 3. Specifically, 50.8% of the respondents were between the ages of 40-49 while 36.7% of them fell in the age group of 30-39.

Table 3: Age distribution of customers

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentages (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 20</td>
<td>4</td>
<td>3.3</td>
</tr>
<tr>
<td>21-29</td>
<td>7</td>
<td>5.8</td>
</tr>
<tr>
<td>30-39</td>
<td>44</td>
<td>36.7</td>
</tr>
<tr>
<td>40-49</td>
<td>61</td>
<td>50.8</td>
</tr>
<tr>
<td>50-59</td>
<td>3</td>
<td>2.5</td>
</tr>
<tr>
<td>60 above</td>
<td>1</td>
<td>0.8</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Few of the hotel users were below the age group of 20. The implication is that people between the ages of 30-40 undertake a lot of travels thereby constituting majority of people who are likely to patronise hotel services.

The findings showed (in Table 4) that there were as many male customers (63%) as female customers (57%) enjoying the services of hotels in the Tamale Metropolis.

Table 4: Gender distribution of respondents

<table>
<thead>
<tr>
<th>Sex</th>
<th>Frequency</th>
<th>Percentages (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>63</td>
<td>52.5</td>
</tr>
<tr>
<td>Female</td>
<td>57</td>
<td>47.5</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The implication is that hotel owners need to factor gender needs into the types of services provided so as to meet the expectations of these customers.

The study also analysed the various continents from which hotel clients came from. The revealed that 59% of the respondents were of African origin whilst 28% of them were of European origins. The results are shown in Figure 3.
The results, it could be deduced that most of the clients were of African origin and this could be attributed to the location of the hotels in the continent of Africa. This calls for the need for hotels in the hospitality industry to identify the cultural variations of their clients and Africans in particular when segmenting the market.

Analyses of the data revealed that 76% of the hotel clients selected for the study were Christians whilst 33% of them were Muslims respectively. The results are shown in Figure 4.

The implication is that religion influences individual’s choice of hotel and these needs to be considered when segmenting market of the hotel industry.
The findings (as seen in the Table 5) revealed that 72.5% of the customers involved in the study said cuisine influenced their choice of a hotel while the remaining respondents (27.5%) of this category said it did not influence their choice of hotels.

<table>
<thead>
<tr>
<th>influence of cuisine on choice of hotel</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>87</td>
<td>72.5</td>
</tr>
<tr>
<td>No</td>
<td>33</td>
<td>27.5</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100.0</td>
</tr>
</tbody>
</table>

From the analyses, it could be deduced that most customers take the type of services provided by hotels in relation to cuisine seriously and this serves as an important factor in segmenting the market in the hotel industry.

As illustrated in the Figure 5, 65% of the respondents considered location of hotels when trying to engage their services whilst 35% of them stated that location was not a factor when choosing a hotel.

Those who were leisure seeking preferred those hotels that are located near recreational and scenic places and most of the business guest preferred hotels that are located in the heart of town to facilitate their movement and access to other facilities and services. This view conforms to the assertion of Dolnicar (2003) that convenience of the location is the most important criterion considered by guest choosing a hotel. It is conclusive in this regard that location needs to be considered when segmenting the market in the hotel industry in the Tamale Metropolis.
The study considered views of respondents on how other behavioural factors including travel components and facilities considered as critical factors by clients and the results illustrated on Table 6. The results indicated that 33.3% and 18.3% of the respondents indicated ‘individual’ and ‘couple with children’ respectively. In addition, 29.2% of the respondents said they travel without children with the remaining 19.2% of them also indicating that they travel with business partners and used hotel facilities together.

**Table 6: Travel components and facilities used**

<table>
<thead>
<tr>
<th>Travel Component</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>40</td>
<td>33.3</td>
</tr>
<tr>
<td>Couples with children</td>
<td>22</td>
<td>18.3</td>
</tr>
<tr>
<td>Couples Without Children</td>
<td>35</td>
<td>29.2</td>
</tr>
<tr>
<td>Business with business colleagues</td>
<td>23</td>
<td>19.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>120</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Facilities used</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gym</td>
<td>7</td>
<td>5.8</td>
</tr>
<tr>
<td>Tennis Court</td>
<td>22</td>
<td>18.3</td>
</tr>
<tr>
<td>Swimming pool</td>
<td>23</td>
<td>19.2</td>
</tr>
<tr>
<td>Restaurant</td>
<td>41</td>
<td>34.2</td>
</tr>
<tr>
<td>Conference Room</td>
<td>18</td>
<td>15.0</td>
</tr>
<tr>
<td>Football pitch</td>
<td>7</td>
<td>5.8</td>
</tr>
<tr>
<td>Table tennis</td>
<td>2</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>120</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Further analyses of the data showed that of the various facilities used by the hotel guests, 34.2% used restaurant facilities whilst 18.3% used tennis facilities in their respective hotels. Similarly, 19.2% used swimming pool whilst 15% also used conference facilities. From the analyses restaurants, tennis courts and swimming pools were the facilities highly demanded by most clients of hotels in the Tamale Metropolis. However, it is imperative to note that all facilities identified were fairly used by the customers indicating that they constitute important consumer characteristics necessary for market segmentation in the hotel industry. In effect, this calls for concerted effort by hotel owners to ensure that the above stated facilities are adequately provided to meet the needs of their customers.
SUMMARY AND CONCLUSIONS

The purpose of the research was to identify the factors influencing market segmentation in the Ghanaian hospitality industry in the Tamale Metropolis. Market segmentation is one of the fundamental principles of marketing; given the fact that firms cannot serve all of their customers in a market because of diverse (heterogeneous) needs and preferences. The basic tenet of market segmentation is that a heterogeneous group of customers can be grouped into homogeneous groups or segments exhibiting similar wants, preferences, and buying behaviour. The study was designed to address a number of issues: Identify the criteria used by hotels in Tamale Metropolis in segmenting their markets; determine the effect(s) of the criteria identified on the performance of hotels in the Tamale Metropolis; establish the relevant consumer characteristics necessary for segmentation of hotels in the Tamale Metropolis for competitive advantage.

Four hotels were used as case study because they contained all the necessary characteristics of a hotel needed to inform the study. A sample of twenty hotel staff (four from each hotel) and one hundred and forty customers were selected for the study. It should be noted that the study was conducted on market segmentation in hotels. Therefore the application of the conclusions on market segmentation in different sectors of the economy may not be valid. Secondly, only four hotels out of the several hotels in the metropolis were selected for the study. Therefore, there is some chance that certain issues were not captured. However, since the hotel customers, hotel staff and the local community communicated among themselves freely, it could reasonably be expected that the opinions expressed by the respondents fairly represented the opinion of the general hotel users in the metropolis. It may also be rightly argued that the conclusions of the case study of the four hotels are not applicable to all hotels in the Metropolis.

The study established that measurability was the most favoured criteria of market segmentation by hotels in the Tamale Metropolis. The study again indicates that actionability was second only to market measurability as the favoured criteria for hotel market segmentation in the Metropolis.

Further analyses of the field data obtained from the respondents revealed that majority of the respondents (75%) agreed that market segmentation leads to an increase in revenues of hotels in the study area thereby leading to an increase profitability of their businesses.

The study also established that market segmentation had the tendency of encouraging competition among the hotels in the Tamale Metropolis with the net effect of compelling the players in the industry to provide quality service to customers. Analyses of the results on the effects of market segmentation on the performance of hotels was found to be positive as 65% of
the respondents agreed that this could lead to an improvement of performance among hotels in the study area.

Analyses of field results on consumer characteristics was indicative that most hotel users were between the ages of 30-49 with male customers being 63% and female customers also representing 37%. On the aspect of the continents of origin of the customers selected for the study, it was revealed that 59% of them were of African origin whilst 28% of them were of European origins with 76% and 33% of them being Christians and Muslims respectively.

The study further revealed that most hotel clients in the Tamale Metropolis were leisure seekers, vacationers and business people with majority of these customers demanding newspapers, internets, restaurants, tennis courts and swimming pools facilities in the various hotels of occupancy.

RECOMMENDATIONS
On the bases of the above findings, the study makes the following recommendations:

- It is recommended that market segmentation as a marketing strategy should be taken seriously by players in the hotel industry since it helps to promote quality service delivery and competition among hotels.

- The study established that age is an important demographic variable for market segmentation criterion design and that most hotel clients are youthful. On the basis of this, the study recommends that the hotel industry should encourage its members to provide enough recreational facilities to meet the needs of their clients.

- The recommendation of this study is that staff in the hotel industry should see hotel management as a profession and go in for appropriate academic programmes that could equip them with the requisite knowledge and skills to perform better.

- The study was limited to selected hotels within the Tamale Metropolis. A further study that involves more hotels and wider study population may bring out the picture on factors influencing market segmentation more clearly; hence further research in this regard is required.

- The results also indicated that factors to consider in implementing market segmentation strategy in the hotel industry include location. Further study could be done to find out issues that affect hotel location decisions in Ghana.
REFERENCES


