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Hospitality and Tourism Industry Segments: Toward a New Taxonomy

This study attempts to develop a comprehensive taxonomy of the hospitality and tourism industry to illustrate the highly segmented nature of the industry by taking a new approach to examine the scope and scale of the contemporary hospitality and tourism industry. The data collection procedure followed a rigorous framework with rich information being attained using an experience survey, focus groups, and pilot and nationwide surveys based on undergraduate students. The proposed new model of hospitality and tourism industry segments showed sufficient reliability and validity, and its four major industry segments contained 22 sub-segments. With the proposed new taxonomy reflecting the nature of the contemporary hospitality and tourism industry, the research community can develop a better understanding of the outlook of the industry in its current shape.

Key words: Industry Segments, Taxonomy, Hospitality and Tourism Industry

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Introduction

People generally recall hotels and food service areas when considering the hospitality and tourism industry. However, the true meaning of this industry is much wider in scope, and the industry consists of a diverse range of businesses. According to the World Travel and Tourism Council (2010), the travel and tourism industry in the U.S. generated total revenues of over \$1.3 trillion and 7.7 million jobs in 2010, accounting for 7 percent of total exports. One in every 17 American workers was employed in the hospitality and tourism industry either directly or indirectly. World Tourism Organization (UNWTO) reported that international travel and tourism generated \$7.6 trillion, representing 10% of global GDP in 2014. More than 1.1 billion tourists travelled abroad in 2014, an increase of 4.7% over the previous year. UNWTO forecasts international tourism growth of 3% to 4% annually from 2015 onwards. Regionally, the Americas and Asia/Pacific recorded the strongest growth worldwide at 7% and 5% increase in 2014 respectively, followed by Europe, Middle East, and Africa at 4%, 4%, and 2% growth, respectively. Because of the growth related to e-commerce, globalization, and online trends, a broad range of career opportunities emerged in the hospitality and tourism industry. Consequently, today's hospitality and tourism industry covers many types of businesses in the service sector (Hayes & Ninemeier, 2009).

The hospitality and tourism industry can no longer be viewed as one homogenous entity (Watson, 2008). A characteristic of the industry is its diversity and complexity of organizational types (Slattery, 2002). The outlook of hospitality and tourism industry segments has changed dramatically since the last examination of industry segmentation was made in the U.S (Nickson, 2007). However, the hospitality and tourism industry still lacks an exact and agreed upon definition which has reduced the sector's credibility (Bolton & Myers, 2003; Dolnicar, 2002; Dolnicar, 2008; Smith, 1988) and introduced the possibility of misinterpretation of the industry's segmentation (Dolicar et al., 2012). The segmentation of the hospitality and tourism industry is both misunderstood and underexplored (Bolton & Myers, 2003; Debbage & Daniels 1998; Dolnicar, 2002; Dolnicar, 2008). Given the substantial development and rapid expansion of the industry in the last few decades, the segments developed through early research attempts appear ambiguous and untenable. In addition, many previous studies have focused on identifying distinguishable customer characteristics regarding tangible products rather than intangible services (Bolton & Myers, 2003).

Little is known about hospitality and tourism industry segments in terms of the current developmental scale. Hence, the existing conceptualization should be revised. A new taxonomy is needed to reflect the nature of the contemporary hospitality and tourism industry and better understand the outlook of the industry in its current shape. In addition, hospitality and tourism industry segments in the 2010s need to be systematically overviewed to offer solutions or recommendations for both the academic community and the industry (Dolnicar, 2002). This study provides a clear approach for examining the scope and scale of the contemporary hospitality and tourism industry and produces a comprehensive taxonomy of the hospitality and tourism industry to illustrate the diversity of its segments, each of which has its own demanding characteristics. Further, the study identifies the industry segments that college students have decided to work in. In this regard, the study identifies (1) the essential segments of the hospitality and tourism industry, and (2) the components of each essential segment that are necessary to construct a comprehensive picture of the industry.

LITERATURE REVIEW

The Concept of Market Segmentation

Market segmentation can be defined as “The division of a market into different groups of customers having similar desires and needs, sharing similar buying approaches, and are substantial enough to be profitable” (Zineldin, 2000, p.75). According to Smith (1956), market segmentation can be understood as a single strategy, such that market segmentation “Consists of viewing a heterogeneous market (one characterized by divergent demand) as a number of smaller homogeneous markets” (p. 6). Such smaller groups of like-minded individuals can be distinguished by consumer needs, characteristics, or behaviors for better research, product development, and communication (Kotler, 1980; Stroud, 2005, p.103). Market segmentation is a theoretical concept that can help identify target segments and can be used to understand the relationship between consumers and products (Bloom, 2004; Wedel & Kamakura, 1998).

Market segments are homogeneous groups of people that have the same needs and wants in one or more dimensions (Lewis & Chambers, 1989; Kotler, Bowen, & Makens, 2003). To enhance competitiveness and become a successful firm for a target market, the definition of a market segment must be well comprehended and be considered as important a prerequisite for success, as understanding customers’ needs and wants. This helps to produce appropriate services at the right times for those who need them (Smolyaninova, 2007). Usually market segments reflect a more artificial construction by consumer groups for their

individual purpose. Therefore, these market segments rarely occur naturally (Bloom, 2004; Wedel & Kamakura, 1998). Eventually, effective market segmentation must meet the following six criteria: (1) identifiability, (2) substantiality, (3) accessibility, (4) stability, (5) responsiveness, and (6) actionability (Wedel & Kamakura, 1998; Dolnicar, 2008).

In market segmentation, differences between segments should be carefully considered in order to enhance the comprehension of certain products and services so that it can make better use of more precise marketing strategies for each segment (Reid, 1983; Richard & Sundaram, 1994; Swinyard & Struman, 1986). Therefore, once there is suitable segmentation, profitability should increase since each segment can focus on its chosen target segment based on the fact that entities in a segment can be patronized by the segment's facilities in greater detail (Reid, 1983). Marketing efforts can be focused on segments targeted through the most effective communication channel (Dolnicar, 2008). According to Smith (1956, p.5), "Market segmentation tends to produce depth of market position in the segments that are effectively defined and penetrated." A distinct recognition of the market environment helps the business make informed decisions. In addition, clearer segmentation should facilitate the progress and procedures of marketing planning for the use of certain marketing strategies based on specific consumer segmentation (McDonald & Dumbard, 1995; Lewis & Chambers, 1989). However, inappropriate market segmentation may introduce clustering problems and weaken the firm's marketing strategies and market share (Bloom, 2004).

The Conceptualization of the Hospitality and Tourism Industry

The hospitality and tourism industry addresses a broad range of service sectors, diverse venues, and leisure categories as evolving contemporary trends (Slattery, 2002) since hospitality and tourism products are continually increasing with extensive market penetration (Ekonomou et al., 2014). The continued lack of agreement on the definition of the hospitality and tourism industry has hindered the development of an appropriate taxonomy (Smith, 1988). Various U.S. researchers have attempted to conceptualize hospitality (Brotherton, 1999; Lashley, 2000; Lashley & Morrison, 2000) by avoiding any reference to the "Narrow, commercial, economic and industrial perspective to defining hospitality" (Lashley & Morrison, 2000, p. 136).

The hospitality industry should be considered an integral part of the tourism industry (Slattery, 2002; Service Skills Australia, 2011). However, no exact explanation has ever been given regarding the extent and exact spectrum of the hospitality industry. A few studies have recommended that it should be combined with businesses associated with lodging, food

services, tourism, airlines, and theme parks. It has been proposed that hospitality and tourism should be integrated into a single industry (The Government of the Hong Kong Special Administrative Region, 2013). Ultimately, because of a considerable overlap between hospitality and tourism, hospitality and tourism segments are complementary, not symmetrical. Although hospitality segmentation plays an important role in the tourism industry, it accounts for a weighty part of business characteristics not related to tourism (Bardi, 2003; Pizam, 2010). On the other hand, firms in the hospitality and tourism industry differ greatly in terms of their size (e.g., small and medium sized enterprises to large corporations), business operations (information technology to service provision), sectors (air transport to accommodation), and organizational characteristics (public and private firms) (Cooper & Hall, 2008). Therefore, the industry can be considered more a collection of industries than a single industry. Hospitality and tourism collectively produce not a single product but a diverse range of products and services that interact with one another. Globally, the industry is increasingly broadening the range of products and services it offers to consumers because the product formulation in tourism provides a number of benefits and services with a variety of activities and experience (Medlik & Middleton, 1973).

Although various hospitality and tourism sectors have recently undergone continuous progression and development, little progress has been made in empirical research in the field. As a result, change has become a particularly important concept in the last decade (International Labour Organization, 2010). Given the dramatic changing trends in the hospitality and tourism industry, this study combines all business units in terms of food services, lodging, and tourism operations in order to suggest a reasonable overview and a synthesis of the industry (Power & Barrows, 2003).

The Structure of the Hospitality and Tourism Industry

The meaning of hospitality has been interpreted in various ways. The hospitality industry includes hotels and food service areas, as well as other types of business units providing products and services, such as shelter or food to customers who leave their settlement zones (Barrows & Powers, 2009). The definition of the hospitality industry can be extended to include many organizations offering other types of products and services to consumers, including casinos, resorts, private clubs, and other attractions such as travel destinations (Kotler, Bowen, & Makens, 2005). Some have argued that the hospitality category includes catering and other sectors such as leisure and gambling, event planning, theme parks, transportation, cruise lines, and additional fields in the tourism industry

(Ingram, 2005; Chong, 2006). This segmentation can be reinforced by applying any unit operating in the hospitality and tourism industry (Dolnicar, 2008).

Essentially, for some, the industry consists of (1) lodging (related to accommodation such as hotels and motels, apartments, camps, guest houses, bed and breakfast establishments, house boats, resorts, cabins, and hostels), (2) food service areas (dining service and different levels of restaurants), (3) travel and tourism (transportation service providers such as airlines, cruise lines, car rental companies, and trains), and (4) various other businesses offering services and products to tourists (travel agents, visitor attraction, tourist information/guide services, and tour operators) (Bardi, 2003; D&B Research, 2010). The visitor attraction sector includes theme parks, natural, cultural and heritage sites, and museums (D&B Research, 2010). For others, the structure of the hospitality industry includes (1) free-standing hospitality firms (hotels, holiday centers, quasi hotels, cruise ships, time-share units, bars, and restaurants), (2) hospitality in leisure venues (casinos, bingo clubs, night clubs, cinemas, theatres, sports stadia, theme parks, attractions, and health clubs), and (3) hospitality in travel venues (airports, rail stations, bus stations, ferry terminals, airplanes, trains, and ferries) (Slattery, 2002). Sciarini and Woods (1998) divided the hospitality industry into eight segments: quick-service restaurants, mid-scale/family restaurants, fine dining/upscale restaurants, contract/non-commercial food services, luxury hotels, mid-market hotels, economy hotels, and clubs. There is some consolidation across the range of hospitality businesses, and this represents the most important long-term development in the structure of the industry (Slattery, 1999).

In Australia and New Zealand, the hospitality industry includes accommodation and food services based on the ANZSIC (Australian and New Zealand Standard Industrial Classification). The codes under this classification system are composed of a broad range of segments such as accommodation, restaurants and cafes, food services, caterers, caravan parks, camping grounds, clubs, pubs, taverns, and bars (Tasmanian Government, 2012; Future Now Creative and Leisure Industries Board, 2012). The interrelationship between hospitality and tourism has been approached following standard definitions. Hospitality includes all accommodation sectors, whereas tourism is associated with entertainment.

The hospitality and tourism industry in Hong Kong can be classified into (1) travel (cruises lines, airlines, and trains), (2) lodging (hotels, motels, and service apartments), (3) food services (restaurants, cafes, and bars), and (4) recreation (attractions, parks, and gaming facilities) (The Government of the Hong Kong Special Administrative Region, 2013). Lodging and food services are considered a core segment within the hospitality industry.

There remains an overlap between hospitality and tourism with a subtle distinction, such as commercial accommodation services (hotels and guest houses), institutional welfare catering (hospital catering), and transportation services (car rental companies and airlines).

The typical taxonomy in the literature tries to identify adequate target markets. However, many studies have been limited by their main focus on the researcher's interpretation of a given subject (Dolnicar & Leisch, 2008). The concept of market segmentation to construct a taxonomy became well known in the early 1970s, producing a sharp increase in the number of studies focusing on taxonomies (Frank, Massy, & Wind, 1972). The construction of a taxonomy has received increased attention in the last few decades. Therefore, a number of taxonomies have been constructed to identify optimal target markets (Dolnicar & Leisch, 2008). In this study, the development of a taxonomy is based on knowledge captured from both the literature and the industry. The study uses (1) horizontal segmentation for all sectors of the hospitality and tourism industry, and (2) vertical segmentation within each sector as a sub-segmentation method. Here it is assumed that price-based vertical market segments exist in each major industry segment and that horizontal segmentation is based on customers' responses to service dimensions and organizational characteristics.

Methodology

Churchill (1979) suggested a paradigm for developing measurement constructs with improved reliability and validity. The proposed procedure involves a series of steps from specifying construct domains to purifying measures, assessing reliability and validity, and developing norms. Each step is consolidated by adopting recommended techniques such as literature searches, experience surveys, and focus groups. Although this paradigm includes an improved procedure to develop measures of marketing variables, the framework may facilitate the development of a new typology. In this regard, no effort was spared to ensure that the steps proposed in Churchill were appropriately implemented.

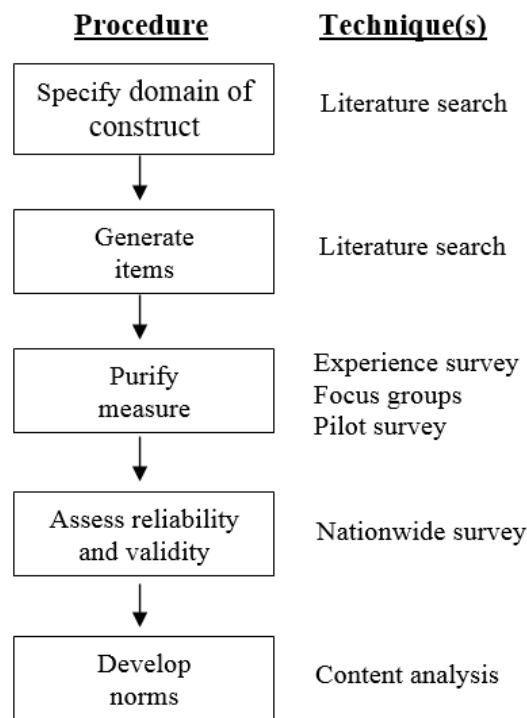


Figure 1: Developing a New Hospitality and Tourism Industry Segment Taxonomy

Figure 1 shows the procedure employed to adopt Churchill’s proposal. This procedure is now discussed in greater detail. Based on a thorough review of the literature (Bardi, 2003; Dolnicar et al., 2012; Dolnicar & Lazarevski, 2009; International Labor Organization, 2010; Nickson, 2007; Pizam, 2010; Power & Barrows, 2003; Sciarini & Woods, 1998; Service Skills Australia, 2011; Slattery, 2002; The Government of the Hong Kong Special Administrative Region, 2013), a new model was tentatively developed to classify various segments of the hospitality and tourism industry (see Figure 2). Segments derived from the proposed approach were compared and contrasted with those in the literature as well as those currently used in other countries and regions. Horizontally, four primary segments were identified: (1) lodging, (2) food service, (3) travel and tourism, and (4) events and entertainment. An array of sub-segments was then vertically recognized to lend supporting details for each primary segment. For example, the lodging industry included principal elements such as hotels, motels, bed and breakfasts (B&Bs), and resorts. The food service industry included various types of restaurant entities, as well as catering and banquet services. These four major industry segments contained 22 sub-segments. Specifically, events and entertainment was a broad segment containing eight sub-segments such as theme parks,

event planning, gambling, and sports venues. Business units such as DMOs (destination marketing organizations), CVBs (convention visitor bureaus), and air transportation were ascribed to the travel and tourism industry.

In addition to the extensive review of the literature, a number of additional undertakings were considered to ascertain the degree of reliability and validity for the development of a new taxonomy. First, the experience survey method, which normally includes a judgment sample of people who can offer ideas and insights into a given subject matter under investigation, was employed. More specifically, expert opinions were solicited to verify and validate the taxonomy. These experts were researchers who authored multiple articles on hospitality-related topics in peer-reviewed research journals. E-mail messages were sent to five selected expert reviewers in January 2013 to obtain their feedback on the model of hospitality and tourism industry segments. Based on their feedback, a few minor revisions were made to the model.

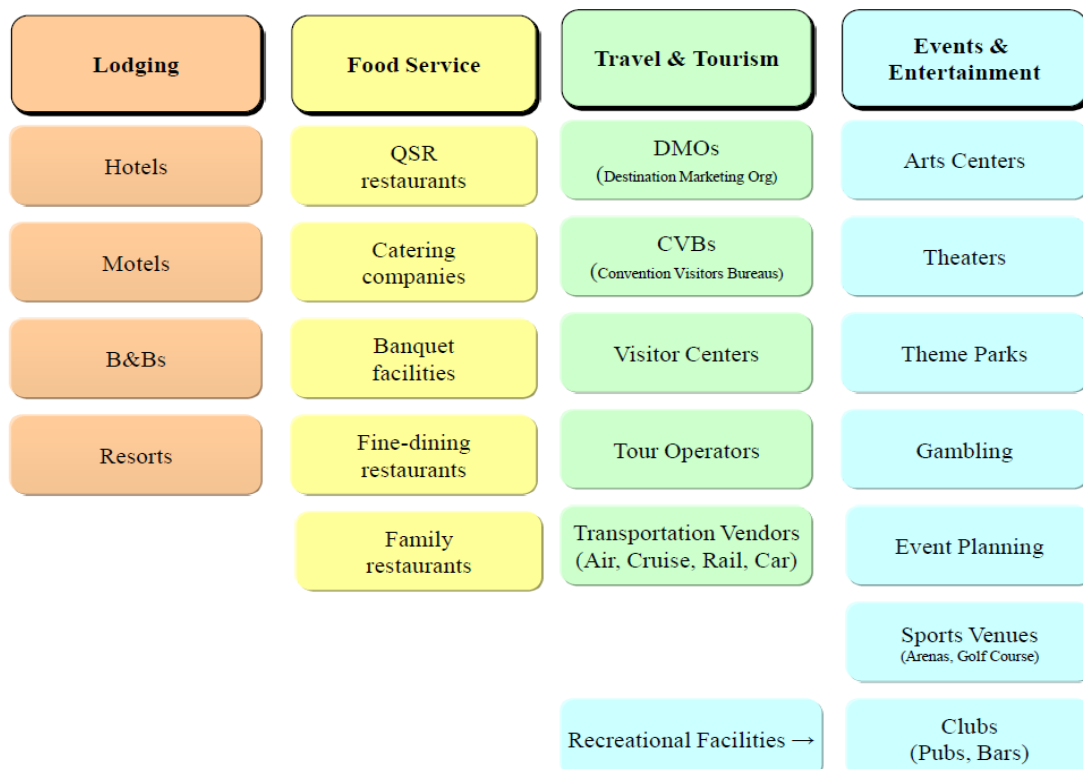


Figure 2: Hospitality and Tourism Industry Segment

Second, two focus groups were conducted with undergraduate students majoring in hospitality and tourism management in April 2013 at a state university in the U.S. Southwest (one of the authors was affiliated with this institution). Each focus group included three to

four students enrolled in the researcher's senior-level class. A moderator was employed to lead discussions during both sessions. These focus groups were designed to seek the students' feedback on the model of hospitality and tourism industry segments as well as their opinions on issues related with their employment and career development. The students had an opportunity to view the new taxonomy printed on a piece of paper before expressing their thoughts concerning the classification. Both sessions were videotaped and then transcribed by an English speaker. No changes were made to the model because the students agreed with the classification method.

Third, the hospitality and tourism segment model was tested by including it in a survey designed to identify the hospitality students' employment preferences and considerations for their career development. At the beginning of the survey, the students were asked to indicate the segment that they most wanted to work in after their graduation. The taxonomy was arranged such that the students first checked their choice of any of the four primary segments, followed by an additional choice for a sub-segment within that primary segment. The survey was piloted in a senior-level hospitality and tourism management class that was different from the one taught by the researcher but was at the same university in July 2013. Seventeen completed responses were collected. A careful scrutiny of the responses revealed no necessary action to change the taxonomy. However, some changes were made to other parts of the survey where the responses revealed some ambiguities and inaccuracies in the design of questions and items.

Finally, a revised survey containing the hospitality and tourism industry segment model was administered to undergraduate hospitality and tourism management students at the national level in the U.S. Data collection continued from the last week of October 2013 to the first week of December 2013 at seven universities located in Arkansas, Connecticut, Florida, Mississippi, New York, Tennessee, and Texas. Convenience sampling generated 336 usable responses. In addition to the four primary hospitality industry segments, an additional "other" option was provided in the survey. The students were allowed to write any other industry segment that they intended to work in upon their graduation in case none of the four primary industry segments fit their career goals.

RESULTS

Table 1 shows the demographic profile of the students in the nationwide sample. More responses came from the University of Central Florida, Arkansas Tech University, Texas Tech University, and the University of Mississippi than from the other three

universities. More than 90 percent of the students were juniors and seniors. This profile was considered to reflect an adequate distribution because normally undergraduate students tend to have more defined ideas about their future careers during their advanced college years. The students were overwhelmingly in their twenties, which also reflects the acceptable selection of subjects corresponding to their classification.

Table 1: Demographic Profile of the Student Subjects in the Nationwide Sample (n = 336)

Variable	Frequency	Percent (%)
University Currently Attending		
University of Memphis	21	6.3
University of Central Florida	67	19.9
Niagara University	23	6.8
Central Connecticut University	17	5.1
Arkansas Tech University	53	15.8
Texas Tech University	77	22.9
University of Mississippi	78	23.2
Age		
19 years old	14	4.2
20 years old	31	9.3
21 years old	102	30.6
22 years old	89	26.7
23 years old and above	97	29.2
Classification		
Freshman	5	1.5
Sophomore	18	5.4
Junior	102	30.6
Senior	208	62.5
Gender		
Male	102	30.4
Female	233	69.6

Note: Computation of the percentages does not include the missing values.

Based on the students' responses to the survey items for industry segments (see Table 2-1), nearly 24 percent of the students stated that they had yet to decide on an industry segment, whereas 76 percent identified their future career area. Lodging was the most frequently chosen industry segment, followed by events and entertainment, and food service. Travel and tourism was least preferred. Noteworthy is that eight students indicated a desire to work in an industry segment other than those recognized by the proposed taxonomy. Because the students were asked to specify this option, it was possible to observe these other entries in detail. Two students indicated music and pre-dental work, which were deemed invalid. The

remaining six entries were food suppliers (1), bakeries (2), and wine/alcohol manufacturers/wholesalers (3). Numbers in parentheses indicate the frequency of responses. Business entities such as food suppliers or alcohol manufacturers cannot be easily ascribed to the hospitality and tourism industry because of the nature and boundary of their business attributes. In this regard, these responses were considered to convey irrelevant information because they did not pertain to the segmentation of the hospitality and tourism industry. These results provide support for existing evidence that information has become saturated in the process of developing a new taxonomy.

Table 2-1: Choice of the Primary Industry Segments (n = 336)

Hospitality and Tourism Industry		
Segment	Frequency	Percent (%)
Lodging	97	29.0
Food Service	47	14.1
Travel and Tourism	18	5.4
Event and Entertainment	85	25.4
Other	8	2.4
Not decided yet	79	23.7
Missing	2	0.6

The students' follow-up choices for specific sub-segments under each primary industry segment were further examined (see Table 2-2). First, the number of choices for sub-segments (i.e., the second step) was the same as the total number of choices for each primary industry segment (i.e., what occurred in the first step), which validated the adequacy of the survey design and thus of the model of the hospitality and tourism industry, both conceptually and logistically. Second, nearly all sub-segments were selected by some students except for two items under events and entertainment: theaters and clubs. This result reflects the nature of these items in terms of their conceptual significance and completeness.

Table 2-2: Choice of the Sub-Segments (n = 336)

Hospitality and Tourism Industry		
Segment	Frequency	Percent (%)
Lodging (total = 97)		
Hotels	51	52.6
Motels	1	1.0
Bed & Breakfasts	3	3.1
Resorts	29	29.9
Undecided	13	13.3
Food Service (total = 47)		
Quick Service Restaurants	4	8.5
Contract Catering Companies	6	12.8
Banquet Facilities	4	8.5
Fine-Dining Restaurants	13	27.7
Family Restaurants	5	10.6
Undecided	15	31.9
Travel and Tourism (total = 18)		
DMOs (Destination Marketing Organizations)	4	22.2
Tour Operators	3	16.7
Visitor Centers	1	5.6
CVBs (Convention Visitors Bureaus)	1	5.6
Transportation Vendors	4	22.2
Undecided	5	27.8
Event and Entertainment (total = 85)		
Art Centers	3	3.5
Theaters	0	0.0
Theme Park	5	5.9
Clubs (Pubs, Bars)	0	0.0
Event Planning	60	70.6
Sport Venues (Golf Course)	3	3.5
Gambling	2	2.4
Recreational Facilities	1	1.2
Undecided	11	12.9

Given the evidence generated using the steps in Figure 1, it may be concluded that the rigorous procedure enabled a new model/structure of hospitality and tourism industry segments that is largely meaningful and comprehensive. In other words, the results indicate sufficient reliability and validity for the proposed taxonomy (Churchill, 1979).

CONCLUSIONS AND DISCUSSIONS

Since a concept of market segmentation was proposed a long time ago (Clayclamp & Massy, 1968; Smith, 1956), both the hospitality and tourism industry and researchers have attempted to gain deeper insights into a wide range of hospitality and tourism markets through segmentation. However, many fundamental weaknesses can be found in previous studies of the practice and its results. Problems with insufficient market segmentation can lead to either incorrect strategy or a missed marketing opportunity to increase demand for a segment. In addition, previous studies have tried to improve segmentation methods to make them less prone to errors and misinterpretations for an acceptable standard (Dolnicar, Kaiser, Lazarevski, & Leisch, 2012). In this process, it is necessary to identify those segments of the hospitality and tourism industry based on a clear understanding of how each sector is linked to contemporary developmental trends. This research has proposed a comprehensive taxonomy of the hospitality and tourism industry and has recognized its essential segments and basic components. In this way, the study has captured the current developmental trends in hospitality and tourism by developing a complete picture of the industry.

Taxonomies for market segmentation have been considered on a broad scale since the 1970s (Frank, Massy & Wind, 1972). Since then, many studies have attempted to construct taxonomies for market segmentation in the hospitality and tourism industry (Bailey, 1994). This study has drawn from the literature on market segmentation, identified published information on the hospitality and tourism industry, and incorporated feedback from hospitality and tourism educators and students. The proposed model represents a wide range of new definitions reflecting the development of the contemporary hospitality and tourism industry. The taxonomy is expected to help investigate specific components of hospitality and tourism industry segments. The study dispels some existing assumptions and provides a clear description of how the scope and scale of the contemporary hospitality and tourism industry can be examined. The study contributes to the literature by proposing a comprehensive taxonomy of market segments in the hospitality and tourism industry and by illustrating the diversity of these market segments, which have their distinct demand characteristics.

The study contributes to the hospitality and tourism literature by proposing and verifying an updated segmentation model and providing a clearer understanding of how students view their job opportunities to better substantiate relevant segments. In this regard, some industry segments were combined to reduce existing misconceptions about the fit between a specific type of company and each segment. Certain small segments were excluded because of their limited activities. The proposed taxonomy illustrates the wide scope of career

opportunities in the hospitality and tourism industry for graduates. The industry was found to encompass important economic, social, cultural, and environmental factors and thus provide sustainable careers. This updated taxonomy is expected to provide hospitality and tourism students the foundation they require to prepare for management careers in this rapidly growing field. In addition, as this study will help student to develop an accurate understanding of current segments of the hospitality and tourism industry, educators in the hospitality and tourism programs should suggest that students pursue their careers at postgraduate school correctly. Even students who are majoring in hospitality and tourism, did not know the exact scope and segment related to hospitality and tourism, and advanced direction after graduation from university as well. Students will be able to make more informed career choices when they have more information about possible career paths.

With the intention of assembling a more comprehensive “slide show,” the proposed taxonomy is expected to be useful for both hospitality and tourism educators and hospitality organizations. If the gap between the realities of the industry and students’ attitudes is found to be large, then concentrated efforts should be made to educate students about the industry. This type of practice should facilitate more targeted recruiting efforts for the industry and more effective programs for hospitality education in schools. The results of this study should enable hospitality educators and their institutions to enhance the effectiveness of support services if more is known about what students want and how they go about their job searches.

This study provides various insights into the market structure and characteristics of hospitality and tourism segments. One major contribution of this study is the streamlined diversity of market segments in the hospitality and tourism industry because each segment has different and diverse demands and characteristics according to its own needs and wants. Various categories of segments in the hospitality and tourism industry can be distinguished. The results provide a better understanding of the relationship between hospitality segments and other segments of the tourism industry for practitioners such as managers and can guide their successful match. If a concept is carefully built and appropriately used for the purpose of market segmentation, then hospitality and tourism managers should have a good command of skills necessary to identify the primary segments of the target market.

Over the last decade, all sectors of the contemporary hospitality and tourism industry have been subject to constant fluctuations and evolution. In this regard, the proposed new taxonomy consolidates all aspects of food service, lodging, and tourism operations and presents industry segments that reflect rapidly changing industry trends. With a new range of taxonomies reflecting the nature of the contemporary hospitality and tourism industry, the

research community can develop a better understanding of the outlook of the industry in its current shape. In addition, the systematic overview of hospitality and tourism industry segments empowered by the proposed new taxonomy is expected to lead to an informed recognition of market needs and desires, thus allowing for greater responsiveness in terms of research effort allocation.

By providing a concise picture based on current trends and perceptions by students and educators, the study has constructed a “new taxonomy” for market segmentation in the hospitality and tourism industry. However, because this study in education was viewed through the perspective held by each stakeholder group, such as faculty members and students in hospitality and tourism programs, that might be different to industry practitioners regarding the new taxonomy since the research exempted industry practitioners from the process of building the new taxonomy. A practical view could suggest which segmentation should be included or/and exclude, and moved to another segmentation depending on the practitioners’ view-point. Therefore, although the research was limited in scope, the results can be generalized by including industry professionals’ opinions in future study so that the taxonomy can assist three stakeholder groups; educators, students, and practitioners. Therefore, a longitudinal study with monitoring of practitioners in the hospitality and tourism industry may be required in future study. In addition, future research should update this segmentation and consider the effectiveness of using precise standard variables. An ideal taxonomy of hospitality and tourism industry segments will continue to evolve with developmental trends to better enlighten researchers and industry practitioners.

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