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Segmentation in Wellness in Foodservice, Hospitality and Tourism

This chapter discusses the concept of segmentation in wellness in foodservice, hospitality, and tourism. First, it defines segmentation and offers discussions on some common ways to divide a wellness market into smaller groups. Each type of segmentation is then detailed further, and examples of how these methods apply to wellness in foodservice, hospitality, and tourism are given.

Learning outcomes

By the end of this chapter, students should be able to do the following:

1. Discuss the case study of Big Sky Yoga Retreats.
 2. Define segmentation and explain different types of segmentation as applied to wellness.
 3. Discuss the scope and segments of wellness in foodservice, hospitality, and tourism.
 4. Explain whether and how wellness travelers are different from other segments.
 5. Offer suggestions on how foodservice, hospitality, and tourism businesses can segment their wellness customers.
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Case study: Big Sky Yoga Retreats

Originally started in Montana, Big Sky Yoga Retreats now offers luxury yoga retreats for women around the world. Their signature LUXE Cowgirl Yoga™ retreat focuses on yoga and the human-horse connection, demonstrated by its slogan, “Where Yeehaw Meets Namaste.” This three-night retreat in Clyde Park, Montana, is offered twice a year and sells out quickly. They also offer a selection of other packages such as body empowerment retreats for moms and their teenage daughters, cowgirl yoga and hiking in Patagonia; Luxe Yoga, hiking, and spa treatments in the French Alps; yoga and vineyards in Tuscany and Sicily, “yogatography” (yoga + photography), and other various yoga outdoor retreats (Big Sky Yoga Retreats, 2019).

The 2022 rates are approximately \$2,500 (depending on the retreat chosen and room type booked) for three days and nights. All packages include rustic-chic accommodation, daily yoga classes, gourmet meals and wines, meditation and journaling guidance, and other activities depending on the type of retreat a guest chooses (wildlife watching, photography courses, vineyard tours, etc.). Optional features such as a portrait photography session with a favorite horse are an additional cost.

Big Sky Yoga Retreats has a distinct segment or target audience. They appeal to women looking for a women-only retreat, with enough disposable income to be able to afford a \$750-\$900 per night wellness experience. There are some differences between programs, for example, the body empowerment retreat attracts mother-daughter pairs, the yogatography retreat is specifically for women looking to improve their photography skills while riding horses and doing yoga. Their guests are affluent women seeking a wellness retreat in a remote and relaxing destination.

Discussion questions

1. What does Big Sky Yoga Retreat offer to their guests?
2. What is their segmentation strategy, and how effective is it?
3. Beyond the factors of being affluent and female, what other characteristics do Big Sky Yoga Retreat’s guests have?
4. What can we learn from Big Sky Yoga Retreat?

Scope and segments of wellness in foodservice, hospitality and tourism

The wellness market is vast, worth an estimated \$4.2 trillion in 2017 (pre-Covid-19), and growing (Global Wellness Institute, 2019). Although Covid-19 affected the tourism industry in a huge way, including wellness travel, it is expected that the sector will recover around 2024 and continue to grow from there (World Economic Forum, 2022). Therefore, numbers from 2017 will be used in this chapter to best illustrate the potential of this market.

The wellness market as a whole encompasses much more than tourism, but the combined value of categories affecting the foodservice, hospitality, and tourism industries reach into the trillions. With billions of people worldwide joining the wellness movement, it is important to consider how to divide them into reachable audience segments.

Table 5.1: Value of the global wellness economy in 2017 (Adapted from Global Wellness Institute, 2019).

Segment	Value (in USD billions)
Personal care, beauty, and anti-aging	\$108.3
Healthy eating, nutrition, and weight loss	\$702
Wellness tourism	\$639
Fitness and mind-body	\$595
Preventive and personalized medicine and public health	\$575
Traditional and complementary medicine	\$360
Wellness real estate	\$134
Spa economy	\$119
Thermal/mineral hot springs	\$56
Workplace wellness	\$48
Total	\$4.2 Trillion

Understanding segmentation in wellness

Segmentation is “the process of defining and subdividing a large homogenous market into clearly identifiable segments having similar needs, wants, or demand characteristics” (BusinessDictionary, 2020). These individual clusters are then called **segments**; the process of segmentation offers a way to optimize offerings and communications to different customer groups. According to Konu (2010), “segmentation can combine different customer information to get a wider picture of different (well-being) tourist segments.” The primary segmentation methods in business-to-consumer (B2C) marketing are demographic, psychographic, and behavioral (see Table 5.2). In wellness tourism, there is a connection between the wellness tourists’ lifestyle and their affinity for wellness and wellness tourism.

Demographic segmentation of wellness

Demographic variables concerning wellness include such features as location (geographic segmentation), gender, age, ethnicity, education level, and income level. Wellness tourists are not homogenous and these elements are often considered to be the simplest to recognize, as they are generally observable in current and past customers, clients themselves can self-identify their factors, and secondary data like census bureau figures are often free and publically available for further research to understand each segment better (Voigt et al., 2011).