

Hot topic

Segmentation

Verbatim:

'Your customers are getting (to one another) before you reach them.'



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To reach the GLBT community, Hyatt chose to create its own site dedicated to the community's travel needs rather than market on other Web sites.

Niche sites valuable when building ties with finer consumer segments

DIVIDE & CONQUER

By DEBORAH L. VENCE

Consumers rely on the Web ever more for their shopping, research and entertainment needs.

Experts stress that the Web is making it ever more possible, too, for marketers to reach narrower consumer segments, improve their reach with targeted audiences and, most importantly, build lasting relationships with customers.

"Consumer segmentation is about understanding consumers and their behaviors in ways that enable marketing to be more effective. Today, consumer behavior incorporates a lot more technology than it did 10 years ago," says Scott Schroeder, president and CEO of Cohorts, a Denver-based segmentation and database marketing firm.

"And, as with any marketing medium, when you understand the segments using new media, you can better target the message to the right segments, and you get better results," he says.

Broadband users, for instance, spend an average of 5.3 hours per weekday online, according to a recent report by Media-Screen Market Research and Consulting in San Francisco. The firm surveyed more than 4,000 U.S. broadband users, ages 13 and older, last summer and found that users between 13 and 24 years of age spend more than half of their spare time online. Further, the time spent online has increased for all ages of broadband users over the past two years.

"(The issue today is) ... you realize that your customers are getting (to one another) before you reach them. Segmentation is not just about general demographic profiles anymore. You have to

(know) and understand the channels that you can reach them on," says Jacqueline Rousseau-Anderson, manager of data advisers and operations at Cambridge, Mass.-based Forrester Research Inc. She co-authored Forrester's May report, "Global Technographics: Segmentation Predicts Which Consumers Will Use Technology."

For example, Chicago-based Hyatt Hotels & Resorts recognized that the Web was a surefire way to reach the gay, lesbian, bisexual and transgender (GLBT) market. Hyatt, rather than market on others' sites, actually launched its own GLBT Web site (www.lgbt.hyattresorts.com).

Combining its brand image as a high-end hospitality provider with its target market, Hyatt's

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CONSUMER BEHAVIOR IS NOW HIGH-TECH

site's home page depicts two men embracing each other under a waterfall. Also, clicking on the "2007 Human Rights Campaign Best Companies for GLBT Equality" logo will lead to a GLBT news page, plus information about Hyatt's GLAAD sponsorship and PlanetOut award from 2006. The image at the top of the news page shows two women dressed in thick white bathrobes gazing at each other and sipping a glass of wine.

As well, for the last two years Hyatt has used other travel Web sites and sites targeting the gay community to advertise its brand specifically to gay male travelers.

Hyatt found that gay males, in particular, visit such travel Web sites as Travelocity.com. Hyatt advertises to this niche segment on Gay.com, OutTraveler.com, Advocate.com, Out.com and, most recently, Orbitz.com/gaytravel.

"(Hyatt decided to do this) because of the frequency of travel (among this group) ... not just because (they have) disposable income, but ... disposable time. The majority of them do not have children, so they are not locked into summer vacation months. It becomes an efficient way to generate business during off-peak (seasons)," says Howard Buford, president and CEO of

New York-based Prime Access Inc., a company that creates multicultural and advertising campaigns aimed at urban audiences. (Hyatt is a Prime Access client.)

Though Buford was not at liberty to reveal Hyatt's sales results in the gay male travel segment or GLBT market, he says that Hyatt earned the PlanetOut Travel Award in 2006 for "Hotel Collection of the Year." Buford views the award as an indicator that Hyatt's efforts have been successful in targeting the gay market online.

Other experts agree that marketers can improve their connections with consumer segments using niche sites.

Sportsvite.com, for instance, provides a service to connect people who play recreational sports and help them organize games among friends.