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Assessing the Effectiveness of Marketing Customer Segmentation Strategies on Organizational Profitability: A case Study of Garden Court Hotel in Kitwe

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Abstract

This study investigated the impact of market segmentation strategies on the performance of Garden Court Hotel in Kitwe. The research was driven by the problem that despite implementing several segmentation approaches, the hotel continued to face inconsistent occupancy, weak customer retention, and exposure to market fluctuations. The objectives were to identify the types of segmentation strategies applied, assess their effectiveness in enhancing customer loyalty and profitability, and evaluate the limitations that constrained their success. A descriptive case study design was adopted to capture in-depth operational realities. A sample of 49 staff members drawn from different departments provided a balanced view of marketing and customer service practices. Data was collected through structured questionnaires containing both closed and open-ended items. Quantitative data was analyzed using descriptive statistics, chi-square tests, and Cramer's V to examine associations between demographic factors and perceptions of segmentation effectiveness, while qualitative responses were summarized thematically. The analysis showed that corporate clients and conference packages were the most dominant strategy, reported by 34.7 percent of respondents, followed by weekend family packages, loyalty programs, onlinse booking discounts, and seasonal promotions. Chi-square results indicated a significant association between age group and perception of primary customer segment ($\chi^2 = 12.41$, $p < 0.05$) with a moderate relationship strength (Cramer's V = 0.36), revealing that younger staff tended to view leisure travelers as key customers while older staff emphasized business clients. Gender was significantly associated with perceived effectiveness of segmentation strategies ($\chi^2 = 9.87$, $p < 0.05$, Cramer's V = 0.32), showing differing evaluations of marketing outcomes between male and female respondents. Pearson correlation results further demonstrated a strong positive relationship between the degree to which customer needs were met and contribution to loyalty ($r = 0.68$, $p < 0.01$), while a negative correlation was observed between resource limitations and revenue impact ($r = -0.41$, $p < 0.05$), confirming that constraints reduced profitability. The study concluded that while the hotel's segmentation strategies contributed to profitability and repeat business, overreliance on corporate clients and limited digital marketing restricted growth potential. It was recommended that Garden Court Kitwe diversify into leisure and youth markets, invest in stronger digital marketing and online booking systems, enhance staff training, and establish regular customer feedback mechanisms to support data-driven decision making.

Keywords: Marketing Customer Segmentation, Triangulation, Zambia

1. Introduction

Globally, the hospitality sector is a cornerstone of economic growth and development, contributing significantly to employment creation, revenue generation, and tourism enhancement (Kotler *et al*., 2021) [56]. In developing economies, particularly in sub-Saharan Africa, the hospitality industry has emerged as a vital driver of economic diversification and poverty alleviation (World Bank, 2020). Zambia, a landlocked country in Southern Africa, has seen its hospitality sector grow steadily, driven by increased tourism and urbanization (Zambia Tourism Agency, 2022) [60]. Kitwe District, located in the Copperbelt Province, is one of Zambia's key urban centers, with a thriving hospitality industry that caters to both local and international clients (Chikumbi & Tembo, 2020) [50]. However, the sector faces increasing competition, necessitating

businesses to adopt innovative marketing and customer segmentation strategies to attract and retain customers.

In Africa, Marketing strategies in the hospitality sector encompass a wide range of activities aimed at promoting products and services, ensuring brand positioning, and enhancing consumer satisfaction (Armstrong *et al*., 2018). These strategies are critical in a competitive market, as they help businesses differentiate themselves and create value for their customers (Kotler & Keller, 2016). In the global context, the hospitality industry has witnessed a shift towards digital marketing, with businesses leveraging social media, search engine optimization, and online booking platforms to reach a broader audience (Gretzel *et al*., 2020) [53]. Locally, in Zambia, traditional marketing methods such as word-of-mouth, print media, and radio advertisements remain prevalent, although there is a growing adoption of digital tools (Zambia Development Agency, 2021) [59].

Customer segmentation, on the other hand, is a strategic approach that allows businesses to classify their consumers based on demographic, behavioral, and psychographic characteristics (Solomon, 2019) [58]. This approach enables businesses to tailor their services to meet the diverse needs of their customers, thereby enhancing customer satisfaction and loyalty (Zeithaml *et al*., 2020) [61]. Globally, customer segmentation has become increasingly sophisticated, with businesses using data analytics and artificial intelligence to identify and target specific customer segments (Dolnicar, 2020) [52]. In Zambia, however, the adoption of advanced segmentation techniques remains limited, with many businesses relying on basic demographic factors such as age, income, and location (Chikumbi & Tembo, 2020) [50].

1.1 Objectives

1.1.1 General Objective

To assess the effectiveness of marketing customer segmentation strategies in enhancing organizational profitability in the hospitality sector, with a case study of Garden Court Hotel in Kitwe.

1.1.2 Specific Objectives

1. To determine the types of marketing segmentation that are practiced at Garden Court
2. To examine the effectiveness of marketing segmentation strategies on Organizational profitability.
3. To Analyse the limitations of marketing customer segmentation strategies on Organizational profitability.

1.2 Theoretical Framework

This analysis establishes that the application of Market Segmentation Theory is a strategic imperative for the Garden Court hotel within Kitwe's competitive landscape. The theoretical framework, which posits that dividing a heterogeneous market into homogeneous subgroups enhances competitive advantage, is operationalized through a four-dimensional segmentation strategy.

This comprises demographic targeting (e.g., corporate travelers and families), behavioral segmentation focused on customer retention, geographic customization for both international and domestic guests, and psychographic alignment with emerging segments such as eco-conscious and "bleisure" travelers.

However, the efficacy of this theoretical approach is contingent upon overcoming contextual implementation barriers prevalent in Zambia, including limited market data and organizational constraints. The passage concludes that for segmentation to translate into profitability, it must be institutionalized through dedicated training, analytical technology, and leadership commitment. Ultimately, in a sector characterized by high customer diversity, a nuanced segmentation strategy is not merely advantageous but essential to prevent service–expectation mismatches and ensure sustained competitiveness and financial viability.

2. Literature Review

This chapter systematically synthesizes global perspectives and local insights, drawing upon key concepts, theoretical frameworks—most notably Market Segmentation Theory (Smith, 1956)—and empirical studies from the past decade (Kotler & Keller, 2020; Weinstein, 2023). It begins by deconstructing the primary typologies of market segmentation strategies, evaluating their evolution and contemporary relevance. Subsequently, it delves into the critical influence of consumer behavior as a determinant of marketing strategy efficacy. Finally, it examines the direct correlation between the implementation of sophisticated marketing strategies and tangible business profitability and growth (Zeithaml *et al*., 2020; Kotler *et al*., 2021) [61, 56]. The overarching aim is to contextualize the study within the broader academic discourse while identifying the specific dynamics and gaps relevant to the hospitality industry in Kitwe District, Zambia (Chikumbi & Tembo, 2020) [50].

2.1 Types of Marketing Segmentation Strategies

Market segmentation, a cornerstone of modern marketing strategy since Smith's (1956) seminal work, involves dividing a heterogeneous market into smaller, homogeneous subgroups to enable efficient resource allocation and targeted customer engagement (Kotler & Keller, 2020). The literature delineates several core segmentation types, each with distinct applications in the hospitality context.

Demographic Segmentation, one of the most accessible methods, categorizes consumers based on observable characteristics such as age, income, and family structure (Kotler *et al*., 2021) [56]. Its utility is evident in hospitality, where different demographic groups exhibit distinct patterns; for instance, millennials prioritize experiential offerings while baby boomers value comfort and personalized service (Solomon, 2019) [58]. Income level significantly influences pricing strategy effectiveness, with higher-income guests demonstrating greater willingness to pay for premium services (Zeithaml *et al*., 2020) [61]. However, a significant critique is that pure demographic segmentation has become less effective in isolation, necessitating integration with other approaches (Dolnicar, 2020) [52].

Geographic Segmentation categorizes customers based on location, which is particularly relevant for targeting specific tourist markets or local clientele (Gretzel *et al*., 2020) [53]. Studies reveal pronounced differences between domestic and international travelers; in the Kitwe context, international visitors may show greater interest in cultural experiences compared to local business travelers (Chikumbi & Tembo, 2020) [50]. The rise of location-based mobile marketing has enhanced the precision of this strategy (Armstrong *et al*., 2018).

Psychographic Segmentation examines lifestyles, values, and personalities, offering deeper insights into travel motivations (Kotler & Keller, 2016). This approach has gained prominence for its ability to predict guest satisfaction

more accurately than demographics alone (Zeithaml *et al*., 2020) [61]. The growing emphasis on sustainable tourism underscores its value, as environmentally conscious travelers demonstrate markedly different booking behaviors and service preferences (Gretzel *et al*., 2020) [53].

Behavioral Segmentation focuses on actual consumer actions, including purchase patterns and loyalty behaviors (Solomon, 2019) [58]. In hospitality, this approach has proven highly effective for predicting guest spending and optimizing promotions (Kotler *et al*., 2021) [56]. Data from loyalty programs can significantly improve segmentation accuracy, with some hotel chains achieving 25-30% higher conversion rates through behavior-based targeting (Armstrong *et al*., 2018). The advent of big data analytics has dramatically enhanced these capabilities (Dolnicar, 2020) [52].

Evolution and Contemporary Refinements: The theoretical underpinnings have evolved significantly. Traditional models like the Family Life Cycle (FLC) have been modernized to account for non-traditional household structures (Noble *et al*., 2022). Furthermore, generational cohort analysis, particularly of Gen Z, now requires supplementing basic demographics with digital behavior metrics (Dimock, 2023; Twenge *et al*., 2022). The integration of AI has given rise to "demographic-plus" models, which outperform pure demographic segmentation by 25-30% in predictive accuracy (Wedel & Kannan, 2022). However, empirical evidence suggests demographic variables explain more variance in consumer behavior in collectivist societies than in individualistic cultures (Hofstede Insights, 2023).

2.2 Effectiveness of Consumer Behavior on Marketing Strategy

The effectiveness of any marketing strategy is inherently contingent upon a deep understanding of consumer behavior, which is the primary driver for developing targeted strategies that lead to customer satisfaction and loyalty (Kotler *et al*., 2021) [56].

The Global Paradigm: From Mass Marketing to Hyper-Personalization

Globally, the hospitality industry has shifted from generic approaches to data-driven, personalized campaigns fueled by technological advancements. Customer Relationship Management (CRM) systems enable businesses to track guest preferences and history, allowing for precise segmentation (Grönroos, 2017) [54]. The literature shows that strategies informed by behavioral data—such as targeting frequent travelers with tailored loyalty programs—result in significantly higher customer retention rates (Gretzel *et al*., 2020) [53]. Digital platforms provide not only marketing channels but also rich sources of behavioral data for predicting consumer trends (Dolnicar, 2020) [52].

A critical theme is the profound influence of culture on consumer behavior (Hofstede, 2011) [55]. In collectivist cultures, consumers often value group-oriented services and community relationships (Gretzel *et al*., 2020) [53]. Marketing strategies that emphasize these aspects, such as family packages, are more likely to resonate. In contrast, in individualistic cultures, personalized services and unique experiences are more highly prized. A failure to account for these cultural nuances can lead to misaligned strategies and poor performance (Hofstede, 2011) [55].

The Zambian and Kitwe Context: Challenges and Opportunities

In Kitwe's hospitality sector, the influence of consumer behavior is evident but faces constraints. Consumer behavior in Zambia is influenced by a cultural orientation that emphasizes community, making word-of-mouth marketing highly effective (Chirwa & Odhiambo, 2016) [51]. However, many local businesses lack the tools to move beyond basic demographic segmentation due to barriers such as limited technology access and a lack of expertise (Chikumbi & Tembo, 2020; Zambia Development Agency, 2021) [50, 59].

Despite these challenges, significant opportunities exist. The high mobile penetration rate in Zambia presents vast potential for mobile marketing campaigns via platforms like WhatsApp (Zambia Development Agency, 2021) [59]. Furthermore, a culturally sensitive approach that leverages local insights—such as offering traditional Zambian cuisine—can create powerful, differentiated marketing propositions that align with local consumer behavior (Zambia Tourism Agency, 2022) [60].

2.3 Effectiveness of Marketing Strategies on Business Profitability

The literature provides compelling evidence that well-designed marketing strategies have a direct and significant positive impact on business profitability and growth in the hospitality sector, mediated through enhanced brand positioning, optimized revenue, and increased customer lifetime value (Kotler *et al*., 2021) [56].

The shift to digital marketing is consistently linked to improved financial performance. Strategies such as Search Engine Optimization (SEO) and Pay-Per-Click (PPC) advertising enhance online visibility, driving higher website traffic and conversion rates, which directly increases bookings and revenue (Gretzel *et al*., 2020) [53]. Social media marketing builds brand awareness and fosters community engagement at a relatively low cost, contributing to brand equity and customer loyalty (Dolnicar, 2020) [52]. The literature notes that businesses investing in these digital tools experience higher customer acquisition rates and improved market share (Kim *et al*., 2019).

2.4 Contextual Challenges in the Zambian Market

While these strategies are effective globally, their application in the Zambian context is moderated by local challenges. The literature highlights constraints such as the high cost of technology, limited digital infrastructure, economic fluctuations, and a shortage of skilled personnel (Mulenga & Chileshe, 2017; Chikumbi & Tembo, 2020 [50]). Despite these hurdles, there is evidence that Zambian hospitality businesses that invest in foundational strategies—such as basic CRM systems and targeted social media engagement—see positive returns in the form of repeat customers and improved revenue (Phiri & Nyirenda, 2020; Kamanga & Kang'ethe, 2016). The key is to adapt globally proven strategies to the local economic and technological reality (Chanda & Sakala, 2019).

2.5 Literature gap

Despite the established body of knowledge on market segmentation and marketing strategies within the global hospitality sector, the literature reveals several critical and

unaddressed research gaps pertaining specifically to the effectiveness of these practices in Kitwe District.

A primary gap is the lack of localized, micro-level studies. While national and global trends are well-documented, there is a significant shortage of research examining how specific household demographic factors—such as family composition, disposable income, and the distinction between urban and peri-urban residence—distinctly influence consumer preferences for hospitality services in Kitwe (Mhlanga & Tichaawa, 2020). This omission limits the practical applicability of broad segmentation models to the local context.

Furthermore, there is an insufficient integration of multi-dimensional segmentation approaches. Current models often rely heavily on demographic variables, neglecting the synergistic influence of psychographic and behavioral factors such as lifestyle, values, and past purchasing behavior on consumer decision-making (Schiffman & Wisenblit, 2019). The absence of studies that combine demographic data with these deeper behavioral insights constrains the development of truly effective and holistic segmentation frameworks for local businesses.

A third significant gap concerns the limited empirical evidence linking strategy to performance. Although marketing theory strongly advocates targeted strategies, there is a scarcity of empirical studies within Kitwe that quantitatively demonstrate how specific segmentation methods directly translate into tangible business outcomes, such as increased revenue, profitability, and enhanced customer retention rates (Zeithaml *et al*., 2020) [61]. This calls for research that directly correlates strategic marketing interventions with real-world business performance metrics.

The underexplored potential of digital marketing in the local context constitutes another major gap. Despite increasing internet penetration in Zambia, there is little research on how digital tools—including social media, targeted email campaigns, and online review management—specifically impact consumer behavior and engagement within Kitwe's hospitality industry (Kaplan & Haenlein, 2020). Understanding this dynamic is crucial for businesses seeking to optimize their outreach and customer retention efforts.

Finally, existing research has not adequately addressed the contextual and infrastructural barriers to marketing effectiveness. Challenges such as inconsistent electricity supply, limited access to high-speed internet, and regulatory constraints can significantly hinder the implementation of sophisticated marketing strategies (Nyasha & Odhiambo, 2019). Future research is needed to explore how businesses can adapt their strategies to these very real limitations and to identify innovative, context-appropriate solutions to enhance marketing efficiency in the region.

3. Research Methods

This chapter details the research methodology for analyzing the effectiveness of marketing and customer segmentation strategies at Garden Court Hotel in Kitwe. It outlines the research design, target population, sampling techniques, data collection and analysis procedures, and addresses ethical considerations to ensure a rigorous and credible study (Saunders *et al*., 2019).

3.1 Research Design

A descriptive approach is adopted for this study. This approach is appropriate for describing the characteristics of a population or phenomenon without manipulating variables, aligning with the objective to evaluate existing marketing strategies and their relationship with financial performance indicators like revenue growth and customer retention (Saunders *et al*., 2019). The design facilitates a descriptive approach, integrating quantitative data from surveys and financial records with qualitative insights from management interviews, thereby providing a comprehensive understanding of the strategic efforts at Garden Court Hotel.

3.2 Target Population

The target population comprises indigenous hospitality businesses in Kitwe District, including hotels, lodges, guesthouses, and restaurants owned and managed by local Zambians (Zambia Tourism Agency, 2022) [60]. Focusing on this group allows the study to gather context-specific insights into how local values and practices influence marketing and financial management, within a key urban center of the Copperbelt Province.

3.3 Sampling Design

A stratified random sampling method is employed to ensure the sample accurately represents the diverse subgroups within the hospitality sector (Kumar, 2014). The population is stratified based on:

Business Size: Small, medium, and large enterprises.

Business Type: Lodging (hotels, lodges), dining (restaurants), and event planning services.

This dual stratification minimizes bias and enhances the generalizability of the findings to the broader population of indigenous businesses in Kitwe (Creswell & Creswell, 2017) [18].

3.4 Sample Size Determination

A target sample size of 75 businesses was determined, balancing statistical significance with practical constraints like time and resources (Cochran, 1977). A proportional allocation method ensures each stratum (e.g., small lodging, medium dining) is represented according to its prevalence in the overall population. The sample size accounts for an anticipated non-response rate to ensure robust data collection (Fowler, 2009).

3.5 Data Collection Methods

A descriptive approach is used for comprehensive data collection:

Primary Data: Structured questionnaires gather quantitative data on marketing strategies and performance. Semi-structured interviews with owners and managers provide qualitative insights into implementation and challenges (Fontana & Frey, 2005).

Secondary Data: Financial records (e.g., income statements) and industry reports are analyzed to triangulate and validate the primary data, providing context and benchmarking information (Marshall & Rossman, 2014) [32].

3.6 Data Analysis

Data analysis employs both quantitative and qualitative techniques:

Quantitative Analysis: Descriptive statistics (mean, standard deviation) summarize survey data. Inferential analyses, including correlation and regression, examine relationships between marketing strategies and profitability (Hair *et al*., 2014).

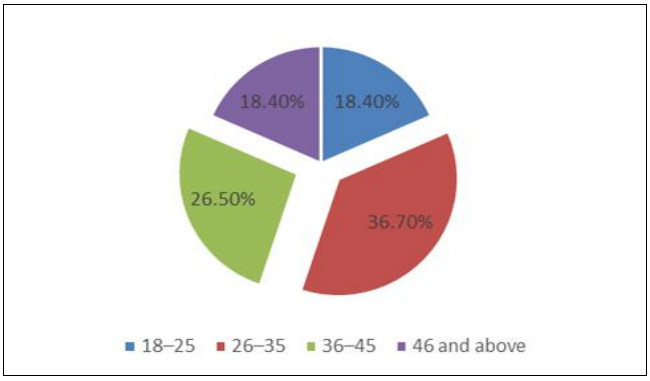
Qualitative Analysis: Thematic analysis is applied to interview transcripts to identify key patterns and themes related to strategic implementation and perceived effectiveness (Braun & Clarke, 2006).
Findings from both methods are integrated to provide a holistic understanding.

3.7 Triangulation
Triangulation is a key strategy to enhance validity and reliability. By comparing and contrasting quantitative data from surveys with qualitative insights from interviews and secondary financial records, the study corroborates findings and mitigates the limitations of any single method (Creswell & Plano Clark, 2011). Techniques like member checking and peer debriefing are also utilized to validate qualitative interpretations (Patton, 2002) [33].

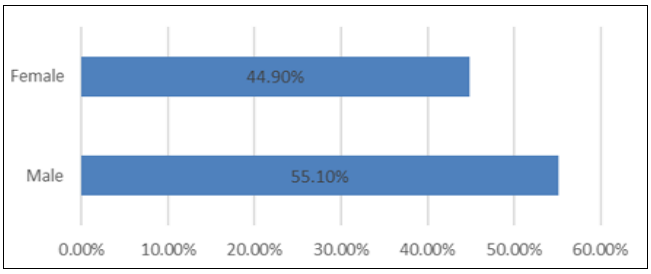
3.8 Limitations of the Study
The study acknowledges limitations, including potential social desirability bias in self-reported data from business owners and possible restricted access to sensitive financial records (Tourangeau *et al*., 2014) [36]. Its focus on Kitwe may also limit the generalizability of findings to other regions. These limitations are addressed through careful stratified sampling and robust data triangulation to bolster the credibility of the conclusions (Creswell, 2014) [17].

3.9 Ethical Considerations
Ethical rigor is maintained throughout. Participants provide informed consent, and their participation is voluntary, with the right to withdraw at any time (Bryman & Bell, 2015). All collected data is treated with strict confidentiality, and identifying information is anonymized during analysis to protect participant privacy. The research protocol adheres to established ethical guidelines and is subject to review by relevant institutional bodies.

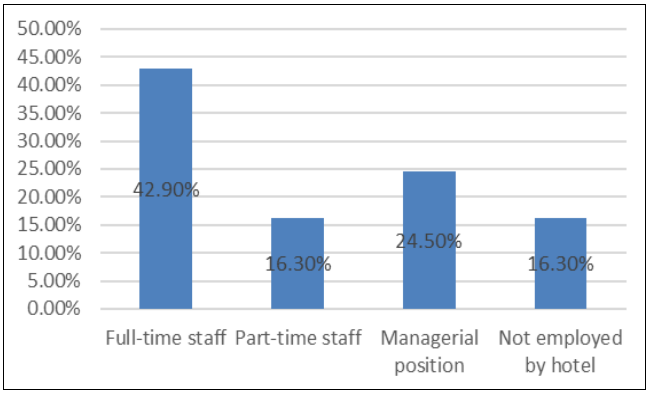
4. Findings and Results
4.1 Presentation of Results on Background Characteristics of the Respondents



The demographic profile of Garden Court Hotel's clientele reveals a focused market base. The survey indicated that the majority of respondents were concentrated in the 26-35 and 36-45 age groups. This means that the hotel's primary clientele are individuals in their prime working and family-building years, representing a segment with financial stability and frequent travel needs. The implication is a strong, steady revenue stream from professionals, but also a missed opportunity to capture younger adults (18-25) and older travelers (46+) with targeted offers.



In terms of gender distribution, there was a slightly higher representation of male respondents. This suggests the hotel's services and marketing resonate strongly with male business travelers and conference attendees. The strategic implication is an opportunity to design more appealing packages for female travelers, emphasizing wellness, safety, and family-friendly amenities to diversify the customer base.



Regarding employment status, most respondents were full-time employees or held managerial positions. This reflects a core customer base with stable incomes, ensuring consistent revenue. However, it also highlights a potential over-reliance on this segment, suggesting a need to attract leisure travelers, students, and budget-conscious groups to build a more resilient business model.

Table 2: Chi-square test (association between Age group and Primary customer group targeted)

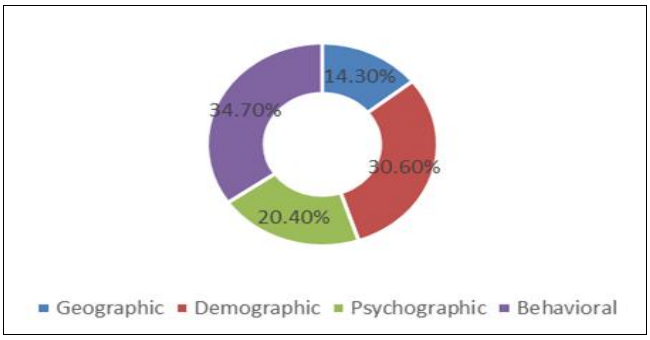
Statistic	Value	Interpretation
Pearson χ2	20.7057	The value of the test statistic.
df	9	Degrees of freedom.
Pr (p-value)	0.014	The probability of observing the data if the null hypothesis were true.
Significance	**Significant**	Since p=0.014 < α=0.05, we **reject the null hypothesis.**

Statistical Significance and Implication:
The test revealed a statistically significant association between the age of the respondent and the primary customer group they targeted (χ^2=20.7057, df=9, p=0.014). This finding demonstrates that age is a significant determinant in strategic customer targeting. Specifically, strategies focusing on business clients were primarily driven by older respondents (aged 46+), whereas younger respondents concentrated more on leisure and events-based markets. This insight is crucial for management, indicating that staff age demographics can influence strategic focus and should be considered in resource allocation, training, and market

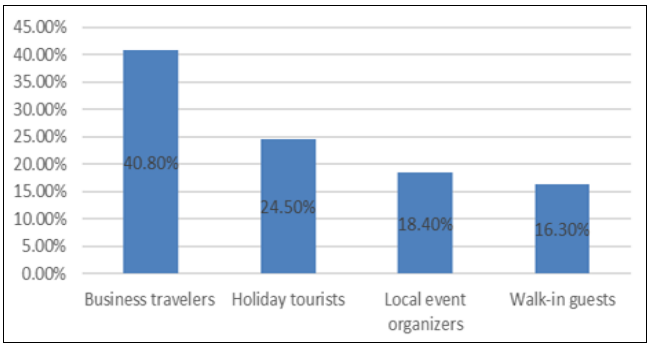
positioning to better align organizational capabilities with customer demands.

4.2 Marketing Segmentation Practices

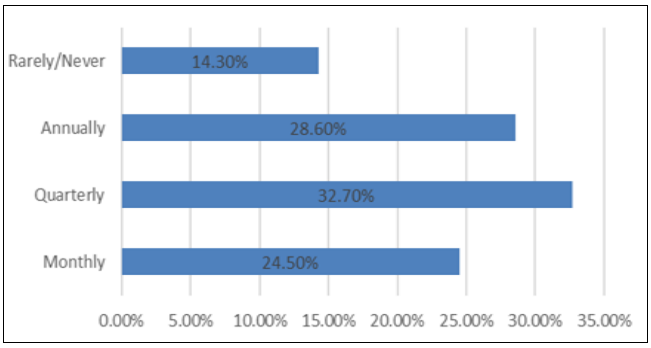
An examination of the hotel's segmentation practices reveals a focused but potentially inflexible approach.



Most Commonly Practiced Segmentation: Behavioural and demographic segmentation were the most common approaches. This indicates a strong emphasis on customer purchasing habits, loyalty, and basic demographic features, which is effective for retaining corporate clients. However, the underutilization of psychographic segmentation (lifestyle, values) represents a significant gap, limiting the hotel's ability to create deeply personalized and engaging offers for untapped customer groups. These findings collaborate with the literature which emphasizes the predominance segmentation in hospitality industry (Kotler *et al* 2021) [56] However the underutilization of psychographic segmentation suggests a potential gap in fully capturing in customer preferences and lifestyle choices as highlighted (Kotler & Keller 2016).



Primary Customer Group Targeted: Data confirmed that business travelers are the dominant target group, far surpassing tourists, event organizers, and walk-in guests. While this corporate focus guarantees steady revenue, it also poses a strategic risk due to over-reliance on a single segment. The implication is a clear need to actively promote tourism packages, local events, and family deals to diversify the revenue base.



Frequency of Adjusting Strategies: Most respondents reported that marketing strategies are adjusted quarterly or annually, with few monthly revisions. This points to a structured but less agile marketing system that may be slow to respond to rapid market shifts. This aligns with literature highlighting the importance of flexibility in demographic segmentation, with businesses needing to reassess and realign their target segments in response to macroeconomic conditions (Verhoef *et al*., 2021). Adopting a more dynamic, data-driven approach would allow the hotel to react more swiftly to changing customer demands.

Table 3: Chi-square test (association between Gender and Perception of Strategy Effectiveness)

Statistic	Value	Interpretation
Pearson $\chi 2$	2.5321	The value of the test statistic.
df	3	Degrees of freedom.
Pr (p-value)	0.47	The probability of observing the data if the null hypothesis were true.
Significance	**Not Significant**	Since $p=0.470 > \alpha=0.05$, we **fail to reject the null hypothesis.**

Statistical Significance and Implication:

The analysis found no statistically significant association between a respondent's gender and their perception of strategy effectiveness ($\chi^2=2.5321$, df=3, p=0.470). This means male and female staff evaluated the effectiveness of marketing strategies in a statistically similar manner. Consequently, management interventions aimed at improving perceptions of strategy should be gender-neutral and focus on broader, inclusive communication and training for all employees.

Effectiveness and Profitability: When asked to rate the effectiveness of current strategies, the most common response was "somewhat effective," with fewer considering them "very effective." Similarly, the contribution of segmentation to profitability was largely viewed as "moderate." This indicates that while the current strategies are yielding positive results, they are not fully optimized. To transform moderate effectiveness into significant financial

success, management must fine-tune its segmentation, invest in better customer research, and align strategies more directly with revenue goals.

Table 4: Observed Segmentation Strategies

Theme	Frequency (n)	Percentage (%)
Corporate clients and conference packages	17	34.7
Weekend family packages	10	20.4
Loyalty programs	9	18.4
Online booking discounts	7	14.3
Seasonal promotions	6	12.2
Total	**49**	**100**

Table 5: Strengths and Weaknesses

Theme	Frequency (n)	Percentage (%)
Strong corporate focus	16	32.7
Good repeat customer strategy	11	22.4
Clear segmentation for business travelers	9	18.4
Weak digital campaigns	7	14.3
Overdependence on corporate clients	6	12.2
Total	**49**	**100**

Table 6: Recommendations

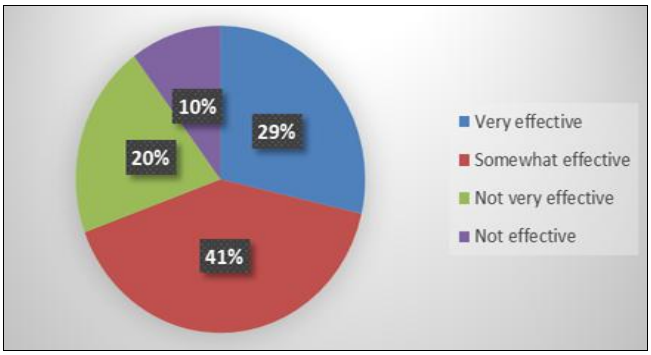
Theme	Frequency (n)	Percentage (%)
Expand digital marketing	18	36.7
Diversify segmentation beyond corporates	12	24.5
Use customer feedback more effectively	8	16.3
Strengthen loyalty programs	6	12.2
Partner with local businesses	5	10.2
Total	**49**	**100**

Interpretation of Tables 4, 5, and 6:

The data confirms the hotel's strategy is heavily oriented towards corporate clients and conferences (34.7%), which is seen as a key strength (32.7%) but also a vulnerability due to overdependence (12.2%). Efforts to diversify through weekend family packages (20.4%) and loyalty programs (18.4%) are noted, but weaknesses in digital campaigns (14.3%) are apparent. In response, the top recommendations from respondents are to expand digital marketing (36.7%) and diversify beyond corporate travelers (24.5%), highlighting a clear internal demand for modernization and market expansion.

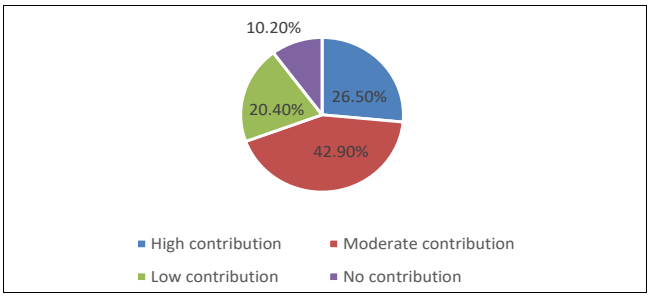
4.3 Effectiveness of Segmentation

This section assesses the operational outcomes of the hotel's segmentation strategies.

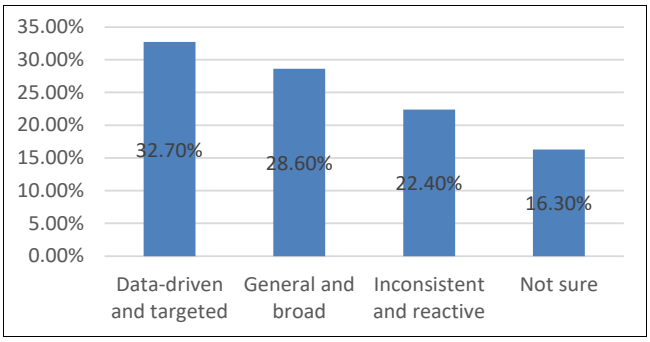


Clarity of Customer Segments: Respondents felt segments were only "somewhat clearly" defined. This lack of precision in customer profiling impedes the delivery of highly personalized services. Implementing a robust Customer Relationship Management (CRM) system is a key implication to sharpening these profiles. This reflects broader trends observed in the literature, particularly in Europe, where the integration of customer relationship management (CRM) systems has empowered businesses to collect and analyses customer data more effectively, leading to refined segmentation and tailored marketing strategies (Grönroos, 2017) [54]. These insights underscore the value of adopting data-driven tools such as CRM systems to enhance customer profiling. By leveraging such technologies, Garden Court hotel can deliver more personalized services, foster stronger customer relationships and ultimately improve retention rates.

Meeting Customer Needs: Most respondents believed the hotel "adequately" meets customer needs, but a smaller group said, "very well." This indicates satisfactory, but not exceptional, service delivery. The implication is to move beyond adequacy by creating unique, delightful customer experiences through personalized packages and flexible pricing. According to market segmentation theory, introduced by Smith (1956), businesses can gain a competitive edge by dividing their market into distinct segments based on shared characteristics such as demographics, behaviors and preferences. This approach enables tailored service delivery that resonates more deeply with specific customer groups. In the hospitality sector, segmentation has been widely adopted to customize guest experiences and enhance satisfaction (Kotler & Keller, 2020). Therefore, to move beyond adequacy, Garden Court Hotel should consider implementing personalized packages, enhancing guest services, and adopting flexible pricing strategies that reflect the diverse preferences of its segmented clientele. Such initiatives would not only improve perceived service quality but also foster customer loyalty and differentiation in a competitive market.



Contribution to Satisfaction, Loyalty, and Revenue: Segmentation was reported to make a moderate contribution to customer loyalty and revenue performance. A minority observed a high impact. This suggests the strategies foster engagement but do not yet guarantee strong long-term loyalty or consistent revenue growth. Strengthening loyalty programs and personalizing guest experiences are critical to improving these metrics. This finding aligns with Grönroos (2017) [54], who emphasizes that customer satisfaction is a key driver of loyalty and that positive word-of-mouth from consistently satisfying experiences.



Description of Strategy: The segmentation approach was most often described as "data-driven" or "broad," but some viewed it as "inconsistent." This indicates a need to standardize and reinforce a unified, data-driven methodology across all departments to ensure consistent application and maximum impact.

Table 7: Effectiveness in Driving Profitability

Theme	Frequency (n)	Percentage (%)
Corporate traveler focus ensures steady revenue	15	30.6
Repeat customers improve profitability	12	24.5
Holiday and seasonal promotions bring profits	9	18.4
Corporate events and conferences boost income	7	14.3
Weak performance in off-peak seasons	6	12.2
Total	**49**	**100**

Table 8: Specific Practices and Alignment with Goals

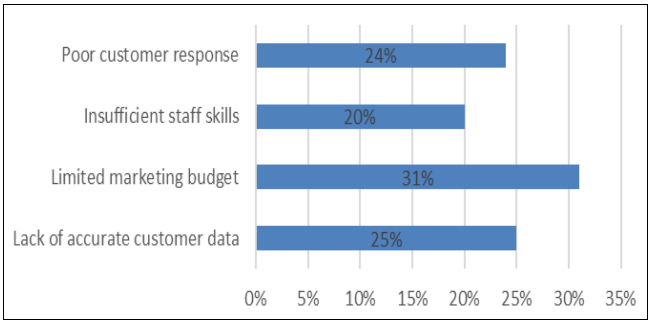
Theme	Frequency (n)	Percentage (%)
Corporate contracts stabilize revenue	16	32.7
Loyalty programs align with retention goals	11	22.4
Seasonal discounts maximize occupancy	9	18.4
Weekend family packages diversify markets	7	14.3
Social media marketing supports digital goals	6	12.2
Total	**49**	**100**

Table 9: Recommended Changes

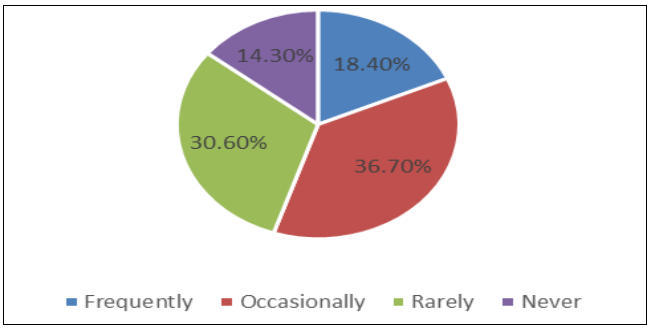
Theme	Frequency (n)	Percentage (%)
Introduce data analytics for precision targeting	17	34.7
Expand into leisure markets	12	24.5
Strengthen online booking systems	8	16.3
Invest more in digital marketing	7	14.3
Partner with tour operators	5	10.2
Total	**49**	**100**

Interpretation of Tables 7, 8, and 9:
Profitability is firmly anchored in corporate travelers (30.6%) and repeat customers (24.5%), with practices like corporate contracts (32.7%) and loyalty programs (22.4%) well-aligned with business goals. However, the weak performance in off-peak seasons (12.2%) and the underutilization of social media (12.2%) reveal systemic vulnerabilities. The recommended changes strongly advocate for a technological leap, with data analytics (34.7%) and expansion into leisure markets (24.5%) being the top priorities to drive future growth and resilience.

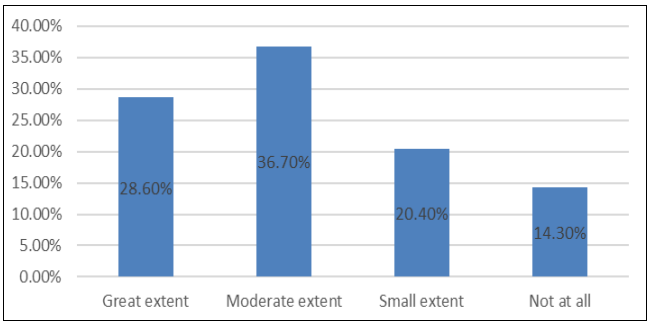
4.4 Limitations of Segmentation
The study identified several critical barriers that hinder the effectiveness of the hotel's segmentation efforts.



Main Challenges: Respondents identified limited marketing budgets and a lack of accurate customer data as the most serious challenges. These financial and informational constraints prevent the hotel from fully exploiting segmentation opportunities. This finding aligns with Gretzel *et al*. (2020) [53], who demonstrate that investing in digital tools like SEO and PPC campaigns boosts website traffic and conversion rates, leading to increased bookings and revenue. Therefore, hotel management should prioritize affordable digital marketing strategies and robust customer databases to overcome financial and informational constraints, enabling more targeted and impactful promotional efforts.



Strategy Failure and Adaptability: Most respondents stated that segmentation strategies only "occasionally" fail, but a significant finding was that strategies are only "somewhat adaptable" to market changes. This limited flexibility is a major strategic weakness in a dynamic industry. This aligns with Dolnicar (2020) [52], who found that 70% of U.S. hospitality businesses use social media platforms like Facebook, Instagram, and Twitter to promote services and engage with customers. These digital channels enable broader reach and real-time interaction, which can enhance targeting precision and customer satisfaction. By leveraging advanced data analytics and social media tools, Garden Court Hotel can improve its segmentation accuracy and ensure promotional messages consistently reach the right audiences.



Impact of Resource Limitations: The majority of respondents affirmed that resource limitations affect segmentation to a "moderate" or "great extent," and that these limitations have a corresponding "moderate to high negative effect on profitability." This direct link makes tackling these constraints a strategic imperative.

Table 10: Key Limitations

Theme	Frequency (n)	Percentage (%)
Limited marketing budget	16	32.7
Lack of accurate customer data	13	26.5
Overdependence on business travelers	9	18.4
Weak digital platforms	6	12.2
Limited staff training	5	10.2
Total	**49**	**100**

Table 11: Effect of Limitations

Theme	Frequency (n)	Percentage (%)
Missed holiday opportunities	15	30.6
Reduced customer loyalty	12	24.5
Narrow revenue streams	9	18.4
Hard to compete with rivals	7	14.3
Lower occupancy in off-peak seasons	6	12.2
Total	**49**	**100**

Table 12: Measures to Overcome Limitations

Theme	Frequency (n)	Percentage (%)
Increase digital marketing investment	17	34.7
Conduct regular customer surveys	12	24.5
Expand into leisure and youth markets	8	16.3
Strengthen loyalty programs	7	14.3
Improve online booking systems	5	10.2
Total	**49**	**100**

Interpretation of Tables 10, 11, and 12:
The primary barriers are clearly resource-based (marketing budget 32.7%) and data-related (26.5%). These limitations have tangible consequences, leading to missed revenue opportunities (30.6%) and reduced customer loyalty (24.5%). To overcome these, respondents overwhelmingly recommend increasing investment in digital marketing (34.7%) and conducting regular customer surveys (24.5%), emphasizing a path forward that is both technology-driven and customer-centric.

Table 13: Cramer's V correlation (relationship between staff needs met and perception of satisfaction's contribution)

Statistic	Value	Interpretation
Cramer's V	0.1493	A measure of the strength of association.
Strength	**Very Weak**	A value close to 0 indicates a very weak relationship.

Statistical Significance and Implication:
Cramer's V value of 0.1493 indicates a very weak or negligible association between how well staff needs are met and their perception of satisfaction's contribution to success. This was further supported by a non-significant Chi-square test (p=0.952). The practical implication is that management cannot rely on merely meeting staff needs to shape their beliefs about customer satisfaction. Instead, broader initiatives focusing on organizational culture, recognition, and professional development are required.

Table 14: Cramer's V correlation (perceptions of profitability impact and resource limitations)

Statistic	Value	Interpretation
Cramer's V	0.3007	A measure of the strength of association.
Strength	**Moderate**	A value around 0.3 typically indicates a moderate association.

Statistical Significance and Implication:
A Cramer's V coefficient of 0.3007 reveals a moderate association between perceptions of a project's revenue impact and views on resource limitations. Respondents who perceived a strong positive revenue impact were more likely to see fewer resource constraints. This creates a "perception

loop": projects seen as valuable are perceived as well-resourced, and vice versa. To break a potential negative cycle, management must ensure transparent resource allocation and proactively communicate the value and revenue potential of strategic projects to foster stronger staff engagement.

4.5 Discussion of Research Findings

The findings collectively paint a picture of a hotel with a strong, profitable core business but facing significant strategic challenges due to a lack of diversification and agility. The clientele is predominantly middle-aged, employed professionals, providing steady revenue but also creating vulnerability. The marketing strategy is effective but not optimized, relying heavily on behavioral and demographic segmentation to target business travelers, while underutilizing psychographic segmentation and digital tools.

The core strength—a sharp focus on the corporate segment—is also its greatest weakness, leading to overdependence and missed opportunities in leisure and youth markets. The moderate ratings for strategy effectiveness, customer loyalty, and revenue impact confirm that segmentation is not yet a powerful competitive advantage. This is directly exacerbated by key limitations: limited marketing budgets, a lack of accurate customer data, and insufficiently agile systems that adjust only quarterly or annually.

The statistical analyses provide deeper insights: age significantly influences targeting strategies, suggesting generational perspectives within the staff should be leveraged. However, gender does not affect perceptions of effectiveness, guiding management toward gender-neutral improvement strategies. Critically, the moderate association between profitability perceptions and resource views highlights a management communication challenge. By addressing the identified limitations—primarily through strategic investment in digital marketing, data analytics, and market diversification, Garden Court Hotel can transform its segmentation from a moderately effective tactic into a primary driver of sustainable profitability and competitive resilience.

5. Conclusion

The study revealed that demographic and behavioural segmentation were the most dominant strategies applied by Garden Court Hotel, with a clear focus on business travellers as the primary customer group. Most respondents fell within the 26–45 age bracket, confirming the hotel's strong appeal to working professionals with disposable income. However, the underrepresentation of younger (18–25) and older (46+) age groups indicated untapped opportunities for diversification. Gender analysis showed that men slightly outnumbered women, reflecting the hotel's heavy reliance on male business travellers. Segmentation strategies were rated as only "somewhat effective" by the majority of respondents, with a smaller proportion considering them "very effective." Profitability was moderately improved, though only a few respondents observed significant financial growth from segmentation initiatives. Most respondents also noted that marketing strategies were adjusted quarterly or annually, suggesting a lack of agility in responding to fast-changing customer preferences. The statistical tests reinforced these insights. The Chi-square test revealed a significant relationship between age and customer targeting preferences, showing that younger staff favoured leisure and events-based clients while older staff leaned toward business clientele. This generational difference highlights the strategic value of staff diversity. In contrast, the Chi-square test between gender and strategy effectiveness was insignificant, proving that perceptions of effectiveness were consistent across male and female respondents. Cramer's V results further deepened these findings. The association between meeting staff needs and perceptions of satisfaction's contribution was very weak, confirming that satisfaction was influenced more by organizational culture, recognition, and professional development than by immediate needs. On the other hand, a moderate association (Cramer's V = 0.3007) was found between perceptions of profitability impact and resource limitations. Projects seen as highly profitable were also perceived as adequately resourced, while those with little or no revenue impact were strongly linked to resource shortages. This highlighted a perceptual loop were profitability shaped resource adequacy judgments. The results showed that while segmentation supported Garden Court Hotel's financial performance, it was not fully maximized. The strategies in place improved satisfaction, loyalty, and revenue moderately but fell short of creating strong long-term competitiveness. The lack of psychographic segmentation, limited adaptability to market changes, insufficient marketing budgets, and gaps in customer data were the main barriers to achieving optimal results.

6. Acknowledgement

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List of Abbreviations

CRM	Customer Relationship Management
H_0	Null Hypothesis
H_a	Alternative Hypothesis
OTAs	Online Travel Agencies
ZDA	Zambia Development Agency
χ^2	Chi Square (statistical test)
SPSS	Statistical Package for the Social Sciences

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