

A man in a dark suit stands with his back to the camera, looking thoughtful with his hand on his chin. He is positioned on a green field. The background is a vibrant blue sky filled with white hand-drawn business concepts: lightbulbs, arrows, charts, and words like 'ideas', 'solution', 'vision', 'strategy', 'marketing', 'leadership', 'education', 'innovation', 'business', 'manager', 'ment', 'vision', 'solution', 'innovation', 'business', 'strategy', 'marketing', 'leadership', 'education'. The word 'Data' is written in large, bold, black letters across the center, with a thick black underline.

# Data

Everyone has it,  
but what do you  
do with it?

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**Big data:** A very large set of data that can reveal trends. It's often external data such as weather, traffic and social media. Literally speaking, big data refers to the large amounts of data generated in today's technology driven world. When people refer to big data, they are talking about the process of collecting, processing, analyzing, and delivering data (as information).

**T**o succeed in a competitive industry and stand out in the crowd, forward-looking companies need to harness data and analytics to help them make smart decisions about which initiatives to adopt based on ROI.

Specifically, travel and hospitality-related companies must create memorable experiences for their guests to be successful. This ability is absolutely essential to achieve a winning edge. After all, a competitor may be just across the street. It's not sufficient to be "good enough" — to flourish, a hotel/restaurant/casino must be great.

To gain that edge, it makes sense to dip into the vast resources of big data, which has demonstrated the capacity to make more informed and timely predictions about market trends, save money, boost efficiency, and improve decision-making. Convincing everyone that sharing information is a good thing can prove a challenge. However, when information flows freely, businesses can flourish.

## Ways to use Big Data

### Better Forecasting

Advances in predictive analytics means that hotels can gain valuable insights for hotel management strategy by using past booking trends to predict future occupancy, all while taking into consideration seasonal events that can affect occupancy.

For example, if hotels knew flight arrivals/departures from their city several months in advance or were plugged in to the train and bus system APIs to understand how many people would be arriving to their city, they could better predict changes in demand.

Currency changes can also be used to predict demand. If a certain percentage of guests regularly come from

Japan and the value of the Japanese yen is dropping, one could predict fewer Japanese visitors in advance and allocate rooms and marketing elsewhere.

The list of available forecasting data that can influence demand includes weather, destination marketing organization, traffic patterns, and event ticket sales to a local sporting event. The point is, there are countless big data sets that can and should be tapped into to increase the accuracy of demand forecasting and the resultant adjustments that can be made.

### Better Yield Management

Yield-management in the hotel industry revolves around pricing rooms to ensure they are offered for the optimal price. For restaurants, yield management is about filling available seats. Optimal results must take into account peak times and off-peak times, as well as weather, local events, and seasonal activities.

The advent of travel review sites such as Yelp and TripAdvisor, as well as social media, have given companies a vast amount of insight into consumer likes and dislikes. Add to this a company's own massive data reserves from CRMs and loyalty programs, and you've got a great idea on the right price-value combination for your customers.

### Better Expense Management

Using big data to accurately forecast means that companies are able to minimize the over- and under-scheduling of their staff to optimize labor and still drive the guest experience. Food costs can be controlled better, and operating costs can be reduced by saving on utilities and by planning such things as renovations, during off-peak times. In other words, data can be used to fine-tune operations and increase the bottom line.



## Better Customer Satisfaction

Hospitality-related industries can use data to create greater customer satisfaction and an increased intent to return by creating unforgettable experiences for their guests. For example, with the help of user-friendly dashboards, front desk personnel can provide a customized experience and specific recommendations to customers as they check in, leveraging in-house and social media data to give employees better insight into what customers want. Maintenance employees carrying smart phones can be alerted to customer needs right away.

Restaurants with menus that cater to their specific demographics are more apt to have repeat customers. For instance, knowing that a majority of customers for the lunch-crowd are business people who want to get in and out quickly suggests different menu options than a dinner menu for the leisure crowd. And, knowing past eating patterns and social media updates of repeat clients means the server can make pertinent recommendations.

## Better Marketing Effectiveness

By knowing the demographics, interests, and potential spend of guests, hotels can predict how to promote

and price their revenue centers such as spa treatments, golf tee times, shows, and entertainment options. For example, does a customer visit the spa every time she stays? Offer her a complementary massage with her next multi-night booking. Does the businessman love to play golf? Give him a coupon for the Pro Shop.

The opportunity to know customers rather than just understand segments of the customer base, means brands can foster deeper connections and encourage loyalty and long-term relationships. And don't forget about the design and usability of your website; an optimized site (especially for mobile) can put you ahead of your competition.

There's no doubt that big data is making the hospitality industry better, both from the guests' perspective and as a business. By creating new ways to interact with customers and figuring out what they want, marketing effectiveness and increased customer satisfaction has been greatly improved. big data has also made operations more efficient. The data is there; it just needs to be put to work. Companies that fully leverage it will gain a significant competitive edge.

Access to data is great, but unless you have actionable intelligence, it's just data.

### About the Author

*David Phillips, EVP Business Development at UniFocus, has almost 30 years of experience in driving company growth through HCM/PR analysis for clients. His expertise is in business process flow analysis, based on industry benchmarks, in Workforce Management/HCM/PR/Time and Labor. He has thorough experience directing implementation and in project management, and assurance of meeting client expectations while staying within budget. David earned his Bachelor of Science in Management and Accounting from Central Connecticut State University.*

