



Case Study: Get More out of Data and Digital for Your Business

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Introduction and Background

As part of the Collaborating for Success Project, (*funded by the Scottish Enterprise Destination Development Fund and managed by the industry-led Love Loch Lomond Destination Organisation including partners The Loch Lomond and Trossachs National Park and The Friends of Loch Lomond & The Trossachs*) destination organisation Love Loch Lomond designed and delivered a workshop in May 2018 to assist tourism and hospitality businesses to get more out of digital and data.

Listening to tourism and hospitality businesses of all sizes, it is clear that engaging successfully with customers on social media and in the digital environment brings challenges; including how to measure these digital activities, in an attempt to understand if the investment of time and effort from the business is paying off, and ultimately generating conversions to purchases or bookings.

Key questions tend to be: *Do tourism businesses know enough about their visitors and customers, who they are, where they come from, what they want before they arrive, how they are sharing the experience of their stay, tours, what they eat and drink? Is the business focused on building customer loyalty, particularly for repeat customers, is it capitalising on opportunities to enhance the visitor experience which could have tangible results on their bottom line? Is it aware of what its competitors are doing and is it competitive enough on pricing?*

The workshop aimed to explore how these issues could be addressed via data and digital strategies.

Aims and Objectives

The specific aims of the data and digital workshop were to:

- Update on current and innovative uses of data for the tourism industry via examples.
- Explore current customer booking and searching trends - OTA's versus direct booking.
- Show businesses how to take advantage of the free [Business Loch Lomond](#) web resources including business case studies, reports and industry insights, and the destination data dashboard; and provide an update on ongoing research activities for the destination.
- Signpost current tourism trends: megatrends, millennials, the collaborative economy – and look at what impact this is having on what customer data is generated and shared; plus the implications for uses. Find out from businesses if they were seeing any of these trends already in their own customer engagement and visitor trends.
- Hear from businesses on how they're currently using data, identify challenges and needs.
- Signpost free and paid sources of help and resources to assist businesses in using data and digital to further develop their businesses and help them progress from sticking points and address challenges.
- Offer a travel industry perspective from Expedia Scotland via guest speakers, to demonstrate how advanced technology can enable business benchmarking and more, and allow participants to engage in honest and open dialogue with an OTA (online travel agent).
- Encourage participants to talk candidly in a relaxed environment, share thoughts and ideas, work in small groups, put their ideas on paper and present back to the wider group.

Destination Disruption: Business Impact

It's clear that several megatrends are impacting on destinations, such as the collaborative economy, Millennials, the availability and use of customer data, technology, and the evolving traveller; and one of the aims of the workshop was to explore these trends and the impact they are having and could already have at a local level. Were businesses seeing these trends already? How were they dealing with them? What changes were the businesses making as a result and what implications did this have for the business operation and decision-making, product development?

The main thread running through the workshop was that the focus should always be *on the visitor*. Visitor focus is *key* for the business to be able to capture and use intelligence strategically to enhance the visitor experience, personalise the customer journey and encourage loyalty, build the brand, create the right products and ensure high-quality authentic experiences in the long-term.

Approach

For the workshop design, resources were gathered from a variety of destination network sources including The Destination Leaders Programme, Scottish Enterprise, Expedia Scotland, ETAG and other industry partners. Existing business case studies, trends documents and other useful resources were made available for sharing and reading during the workshop.

Participating businesses were briefed to come prepared to share working practices, insights into how they engaged with customers, what they were currently doing with data and why. Prior research was conducted into participating businesses' own digital "shop-windows", their interaction on social media, their visible customer service responses, and more.

Industry speakers were invited from Expedia Scotland to give an insight into the organisation's data practices, and to offer a perspective from an OTA, but with the chance for both sides to have an open honest exchange about the pros and cons of working with online travel agents (OTA's).

In the workshop presentation, participants looked at the following topics:

- Tourism data – what it's being used for in the industry – some innovative current examples from Edinburgh, Amsterdam, Glasgow and beyond.
- Decision-making, planning, problem-solving – why having a strategy about data is important
- Which trends are having a bearing on data –driven decision making and growth:
- What do tourism businesses do with data, and what do they not do, what are the challenges and how can we help them, what do they need?
- Responding to business needs – the importance of sharing data, the challenges, using a dashboard for decision-making, useful insights. Highlight the value of Business Loch Lomond as a free business resource and how to use the Destination Dashboard, and/or contribute to it.
- Digital tourism –signposting training, autonomous learning, one to one workshops, options.
- Expedia Scotland presented on data for benchmarking and user insights in relation to Loch Lomond

Getting to Grips with Data and Digital

Each group was asked to consider the following in terms of how businesses used customer data:

1. What are you doing now with customer data?
2. What are you not doing and why – challenges – barriers?
3. What would you like to do if you had the wherewithal/assistance/ideally?

Businesses responses – what they are currently doing:

- Using their own customer feedback systems, usually post-visit, to manage customer feedback; or those provided by integrated booking tools such as Super Control, Free to Book
- Managing Trip Advisor reviews, using Trip Advisor for business listings, but say they don't get any real 'data' from this platform
- Ensuring increased flexibility in their own pricing for customers, particularly accommodation providers – they are managing this themselves, and it's important to them
- Accommodation providers are tending to do away with OTA's and focus on using their own websites for accommodation bookings and conversions, or a combination of AirBnB and a very small number of OTA's -or no OTA's at all
- Trialling AirBnB - they are open to experimenting with the channel and generally positive
- Some newer businesses are tending to rely on third party sources/OTA's for sales and are not yet at the stage of developing direct sales via their own website
- Using Google Analytics to gain customer insights. Some are benefiting from strong collaborative partnerships, gaining traffic from referrals and active social media activity.
- E-marketing – some businesses were collecting customer data in a database and had ideals of using it for e-marketing for newsletters, offers, etc but claimed that lack of time prevented them from doing so
- Using social media in an attempt to engage with visitors, for prospective leads, customer feedback, amplification of messages, but depending on activity, with mixed results

Business Responses - what they are currently not doing:

- All acknowledged they were not doing enough to strategically use customer data to develop engagement with customers – time, resources or lack of skills/knowledge were the key reasons.
- Not analysing the data that they had sufficiently to use it to capitalise on developing business activities: targeting new customers, reach new markets, use insights for product development. Not investing enough time in monitoring, managing, measuring, and using the data to identify customer needs and wants, trends, etc.

What businesses would like to do and ways to assist them

- To learn more about how to use data strategically, ideally in consultative sessions, probably small groups or one-to-ones. This could be organised in workshops via industry partners.
- To continue receiving regular signposting to learning and other business opportunities.

Key Themes Explored in the Data Workshop

The Collaborative Economy

Businesses recognised this was much more visible in terms of tourism products and services in the USA and in other countries but acknowledged its impact, particularly in a local context via AirBnB. They also recognised the need to be aware of the new digital content and platforms generated by the collaborative economy -such as some of examples in the presentation for food, tours and activities -and seemed open to the potential which it holds for new product development. The examples provided were of interest to several in the group.

Millennials and Generation Z

The fastest growing customer segment in the tourism industry, expected to represent 50% of all travellers by 2025, and the age-group with the highest intent to visit Europe from long-haul markets. Businesses are already receiving and engaging with millennial customers in hotels and accommodation, for events and weddings, and at visitor attractions.

Tourism Megatrends

Some businesses were very interested in how they could possibly tap into some of these trends in current product and service activities they were developing, as they recognised some of the trends in customer behaviour and the impact this was having on product development – creating personalised travel itineraries, offering more ‘green’ alternatives and eco-tourism developments.

Digital Learning and Development

There is clearly an ongoing need for further digital training and awareness as long as it is accessible to tourism businesses, not only in terms of cost but time of day, time of year and location important.

Outcomes: Business Insights

- Time and resource are key issues for the vast majority of tourism businesses, irrespective of business size.
- Seasonality is still recognised as a challenge for all businesses, and how to deal with it more effectively, particularly in a non-urban environment, perhaps more vulnerable to bad-weather/winter climate than a city, with less indoor options to offer off-season.
- Customers will pay for flexibility when booking the accommodation that they want for when they want – the idea of this as a commodity/luxury had consensus amongst accommodation provider businesses and was a valuable point to consider when price-setting etc.
- Businesses are aware of the importance of data and are collecting it in some forms - some have a substantial amount at their disposal but they don't necessarily know what to do with it, how to harness it to grow the business or use it to strategically develop engagement with customers and visitors. This is where further consultation would be useful.
- All accommodation providers were concerned and cautious regarding working with OTA's but in contrast, the majority were willing to experiment with Air BnB. The key point was that the businesses wanted to be more independent and take control of what they are managing – flexibility and control are key.

Outcomes: Business Challenges

- Many tourism businesses struggle with the amounts of data generated and having to manage this and keep on top of responding to customers at all stages of the customer journey, that's why some have invested in automation, acknowledging the need to focus on personalisation and loyalty.
- A joined up approach is very challenging and the amount of resources needed to manage all of this effectively and efficiently.
- Addressing issues for the customer journey such as enabling the visitor to tailor itineraries and journey planning –these could be resource or budget-led. Some are involved in related projects which include creating a journey planner, with itineraries and a shopping basket, which tap directly into some of the Megatrends highlighted in the workshop presentation.
- Knowing how to harness data patterns and trends found in their own Google Analytics data: should they be looking at Google ads, SEO, a Google keyword planner? Can they afford to invest in this as a small business?
- Whether to work with OTA's or not – the offering from many OTA's was not seen as flexible and tailored enough for small businesses who usually know their own product and visitor behaviour very well.
- There was awareness that data sharing *would* benefit the destination but a slight reluctance to participate in an organised way, for fear of disclosing something valuable such as a business USP. Businesses did appear open to sharing aggregated data but lacked confidence to do so or perhaps needed more information to make an informed decision.
- Relying on OTA's for business may appear profitable in the short-term but it's not a long-term sustainable strategy – businesses must diversify, consider their own channels to encourage the customer to book direct and this needs experimentation and fine-tuning over time.
- It's clear that it's very important to keep up to date with visitor trends, consumer behaviour and what competitors are doing – and – listening to visitors. Getting feedback on their booking experiences and what businesses could be doing to enhance and improve these.



Industry Perspective: Online Travel Agents, Air BnB and More

A recent [STR Consumer Travel Insights report](#) examined the impact of two global issues influencing the hospitality sector – the use of online travel agents to book accommodation and the surging growth of Airbnb. Both were included as valid topics for workshop debate. STR analysis found that OTAs and direct bookings seem to co-exist, but pricing and user experience act as levers, highlighting that, *“OTAs and accommodation providers’ websites are used in almost equal measure by travellers”*. Including this issue in the workshop enabled Love Loch Lomond to “take the pulse” of businesses and gain their thoughts on this issue, and enabled businesses to discuss this with Expedia Scotland.

Guest Speakers & Presentation: Expedia Scotland

Expedia Scotland is growing its business in Scotland and is currently working with several hotels, accommodation providers, self-caterers, B&B’s and attractions across the West of Scotland, Argyll, Loch Lomond and Glasgow. Representatives from Expedia Scotland who look after the Love Loch Lomond area were keen to hear from accommodation providers in the room and to engage in honest and candid debate as to their thoughts on OTA’s, the businesses’ experiences to date, and to update businesses on how Expedia Scotland was now working with the industry.

The presentation from Expedia Scotland highlighted the following:

- Impressive advanced tech dashboard to benchmark properties and to look at competition with analytics reporting – 1 in 3 customers look at the Expedia analytics on a daily basis.
- Visitor profiles: Loch Lomond visitors to Expedia – 54% are from UK, 16% from the US, 7% are from Germany. Expedia tends to see an older market (and more international), while Hotels.com sees a younger market.
- Visitor Trends: Booking windows: 3 months or more booking window is most common on Expedia. 1-3 days’ stay > short-terms bookings are increasing – this was reflected in other data and in the business experience in the room. Growth in 2 or 3 day stays are up by 37% and this is a growing trend.
- Expedia offers compatibility for self-catering properties. It doesn’t use a nightly rate – a key question from the accommodation providers. Flexibility for self-catering properties is required and is different from hotels. The company uses a flexible pricing algorithm.



Data Workshop Outcomes

- The workshop acted as a valuable kick-start to further data sessions for businesses
- Participants were provided with tourism resources and workshop presentations to download from Business Loch Lomond and offered free 1-1 digital surgeries post-workshop
- Individual follow-up was made with each participating business relating to their own data and digital challenges, and advice and information sources provided by email
- A summary of the workshop with links to the resources was published in a blog on Business Loch Lomond and included in an industry e-blast to the destination business database
- A workshop case study was created and made available via www.businesslochlomond.com and signposted to destination businesses and wider industry via e-news
- Post-workshop, some participating businesses arranged meetings with Expedia and some requested 1-1 digital surgery sessions

Future Outlook

- Love Loch Lomond will make available free 1-hr one to one digital surgeries to destination businesses from July – September 2018 – sessions promoted via e-news and website
- Love Loch Lomond is liaising with industry partners including Digital Tourism Scotland to signposting future workshop, data and digital opportunities for tourism businesses
- Love Loch Lomond and Expedia Scotland will collaborate, for Expedia Scotland to share a monthly data snapshot report, to be hosted on the Business Loch Lomond destination data dashboard, highlighting user trends in the destination area

Top Tips to Get More out of Data and Digital

- **Make time to measure and monitor** your digital activities and data management regularly. It's important to build a picture of how your business is doing and for you to understand what you get out of what you put in. Help is at hand via Business Gateway or learn at your own pace online via Digital Tourism Scotland or Google's Digital Garage guides and webinars.
- **Network and share.** Talk to other businesses, share your experience of managing data and digital - at networking events, learning workshops - it's important to get a wider perspective from which to compare your own performance and see how others are doing.
- **Don't be afraid of asking for help** and acknowledging the need for learning– it could make a huge difference to your business efficiency, customer engagement and more. Find help sources from Love Loch Lomond, Business Loch Lomond, VisitScotland.com, Digital Tourism Scotland, Business Gateway and other organisations such as the Chamber of Commerce.
- **Take advantage of free and paid opportunities** to develop your business such as:
 - **Learning and Training:** free one-to-one digital surgeries from Love Loch Lomond or free workshops from your local Business Gateway or Digital Tourism Scotland.
 - **Networking:** check out events via your local Chamber of Commerce, Business Gateway, VisitScotland.org or your local DMO – keep up to date with industry events and activities.
 - **Developing a mutual collaboration with other local businesses** to offer each other's products and services to visitors; gain exposure and referrals for your business.
 - **Subscribe to relevant industry newsletters** – to keep up to date on trends, news, events.

Useful Resources

Business Loch Lomond Blog [Tourism Businesses Get More Out of Data and Digital](#) – download the speaker presentations and resources from the workshop.

[Business Loch Lomond Knowledge](#): Find a range of reports, case studies and industry insights including many of the trend reports referenced in this case study.

[Business Loch Lomond Opportunities](#): Offers the latest news on learning, funding and other business opportunities.

[Sign up free](#) to Business Loch Lomond to gain access to the Destination Data Dashboard, and for full access to all industry resources. Subscribers can also upload jobs, business opportunities and events.

[The Data Lab](#): The Data Lab enables industry, public sector and world-class university researchers to innovate and develop new data science capabilities in a collaborative environment. Its core mission is to generate significant economic, social and scientific value from big data.

[Scottish Enterprise](#): Can help tourism businesses develop new ideas, grow and compete in international markets, and offers a variety of business support, including innovation support.

About Business Loch Lomond

This case study has been developed by Love Loch Lomond as a resource for Business Loch Lomond, as part of the **Collaborating for Success (CFS)** project, funded by the Scottish Enterprise Destination Development Fund and managed by the industry-led Love Loch Lomond Destination Organisation including partners: The Loch Lomond and Trossachs National Park and The Friends of Loch Lomond & The Trossachs.

Business Loch Lomond (www.businesslochlomond.com) aims to help develop business growth for destination businesses by enabling improved customer service, product development, learning, training and tourism industry best practice.

To date, via the CFS project, Love Loch Lomond has delivered learning and development opportunities for tourism businesses including digital tourism workshops, one to one digital surgeries, local area familiarisation visits. It has trained 12 mentors in a business mentoring scheme and has produced an HR toolkit together with the delivery of related HR training workshops.

The organisation has also worked together with the tourism sector on a destination data dashboard, and has commissioned visitor research which includes camping in the National Park and research into the youth market for Loch Lomond, The Trossachs and Clyde Sea Lochs.

