FUTURE FOUNDATION

WORLD TRAVEL & TOURISM COUNCIL

Big Data

Insights for Travel & Tourism

How will the Big Data revolution change the global travel and tourism industries; and create opportunity for fast movers?

CONTENTS OF THIS REPORT

BIG DATA : BIG UNCERTAINTY

Deeper knowledge; greater insights; risk-free product development - these are just some of the claims of a Big Data age. But in travel and tourism, where planning, spontaneity, risk, adventure and expectation all weigh so heavily on the journey, Big Data offers huge gain; but does it also stifle creativity and serendipity? How do we reconcile the conflicting needs of today's travellers - the need for tailored experience yet hassle-free itineraries - with Big Data's promises?

THE BIG DATA CLAIMS

1 In our Big Data future, the marketing and insight community can pay much less attention to consumer motive.

2 Mass marketing is progressively replaced by commercial messages which are unique, focused, personal.

3 Big Data will stimulate ever more consumerist agitation for legal restraints.

4 Big Data will perfect new product development and minimise R&D losses.

THE BIG DATA REALITY

Big Data is a genuine revolution. But even as its efficiencies universalise, so brands have to find new creative ways to compete.

Personalised marketing has its limits, its costs. The customer may revolt against personal and precision targeting.

Data protection rules are developing worldwide; but each region has different regulations that present unique demands.

Big Data is not a panacea. Big Data can aid tactical decision-making; but cannot replace strategic thinking.

Big Data & travel implications

Today's global traveller carries powerful needs - all affected by Big Data.

END OF ADVENTURE

Travellers now face a marketplace brimming with reviews, ratings and recommendations. One might think that only the most intrepid (or unconnected) traveller would dare to journey blind - without the aid of the choice-maximising maps and itinerary / transport tools at her fingertips.

BIG DATA suggests a future in which discovery is managed, experiences vetted and true adventure marginalised. Instead of surprise and chance, travellers are increasingly seeking vetted spontaneity. Data makes "safe surprise" a reality away from home.

Strong need "to do something dangerous and forbidden" [1]

2001 8%
2013 5%
GB

THE DEATH OF RISK

Smoking bans are spreading around the world, fat-taxes are being proposed by health-conscious governments, online privacy becomes fiercely political. Travellers are bombarded with *risk-avoidance* at home - this mindset will surely be a part of the baggage they take abroad.

BIG DATA leaves us nowhere to hide from danger and risk. Can we expect future consumers to make choices and visit destinations with less-than-optimal safety forecasts? What services will emerge to tackle the traveller's appetite for quantified security and risk-management?

"People should think about safety before fun [2]
67%
Gen Y US

UNIQUE BELONGING

In most of the countries we survey, people place value on individuality but, with the exception of some emerging nations such as India and China, are more hesitant about being conspicuously different. Such "mass individuality" affects travel destination choice, expectations when we get there, and how "immersed" we might become.

BIG DATA makes the crowd of tourists more visible. But deep analysis does not homogenise a group of travellers - individual choices and routes as *part* of the crowd become easier than ever to accommodate.

the need "to be just that bit different from others" [2]
60%
Global avg

SOCIETY OF SOBRIETY

Agreement with a tax on fatty foods [2]
47%
India

The invitation to control consumption is quickly becoming a global export. Travellers are changing their mind about binges abroad; and choosing destinations on the basis that health is the greatest luxury. For many, the spa do now trumps the stag do.

BIG DATA can make us healthier and thinner; and consequently defines our attitude towards holidays. Personal tracking tools (calories, grams of fat, UV absorption) define how much we are willing to let go when abroad. Are moments of relaxation and indulgence threatened? Conceivably, yes.

How Big Data affects the travel industry

Big Data comes with some big caveats. Here we outline the imperatives for successful Big Data business models in travel and tourism.

WHAT BIG DATA CAN NEVER REPLACE

Predicting that consumers will drink more beer and eat more ice cream on a hot summer weekend does not sound like a Big Data insight. But exactly *which* beers, in precise quantities, with how many flavours of ice creams? Your strategic mission statement might not be destabilised; but Big Data is by all means a new and powerful tool for fine-tuning and maximising the tactical brand decisions.

The capacity to, for instance, adjust prices quickly and competitively in response to an analytically predictable change in travel demand is clearly a serious tactical power. And it is in such instances where, we predict, Big Data will greatly enhance the capabilities of the travel company and tour operator.

As a marketing tool, Big Data is being commercially democratised. Widespread adoption therefore comes with a caveat : marketing insights based on number-crunching may well be accessible to all. The danger is in assuming that insight and ingenuity naturally lie inside Big Data - rather than inside the minds of the creative human talent.

THE IMPORTANCE OF CONSUMER CHOICE

We are confident that consumers will see the benefit of business in the data age. Personalised marketing and targeted product design are extremely powerful opportunities; but must always be weighed against the consumer's inclination towards anonymity.

Persuading consumers of Big Data's benefits takes 2 steps:
1) The transparent use of data, in which benefits to the consumer are seen as proportional to the data collected / shared.
2) Allowing consumers to *switch Big Data* on / off. There will be times when restaurant suggestions are impatiently demanded; there will be other times when a 2 hour stroll down the boulevard should never be interrupted.

WHY CAUSATION COUNTS

▶ With Big Data analysis comes the promise to know *what* without needing to figure out *why.*

▶ But if Big Data cannot know certain things - especially in the arena of brand preference and all that alters discretionary choice - then certain well-established Insight methods and techniques will still be required for use.

▶ The brand will still need to talk to the regular customer while trying to persuade the customer of the other brand to switch. Causation counts.

Using Big Data for advantage

DATA SAVVY TRAVEL REPS

Future travel reps are not just responsible for itineraries and welfare; they are also data analysts, understanding the customers in their remit from their online behaviour as much as their facial expressions. Air stewardesses might don Google Glass to overlay passenger information, just as ski reps access apps summarising their cohorts. Does Big Data supersede customer service?
No. Big Data informs it.

A MATCH MADE IN HEAVEN

A passenger boards a transatlantic flight, expecting to plug in the earphones for ten hours straight. But much to her surprise, the passengers on either side of her are also journalists heading to the same conference. Big Data has allowed the airline to engineer the seating arrangement; passengers remember the flight with much more fondness. But a heavy hand will only be seen as an attempt to manipulate.

PREDICTING NEW PRODUCTS

Growth in a few key destinations is skyrocketing; brands are looking to replicate this success in a new product. Thanks to Big Data analysis, companies are able to recognise patterns in emerging travel habits and respond within a single season with new offerings which tap into this demand. Creativity on top of Big Data analysis creates an innovative new product - one that information alone could not deliver.

THE SPECTRUM OF DELEGATION

Lucy travels to Hong Kong once a month on business. All she wants is an immediate transfer to the same hotel as soon as she lands. Big Data supplies such automated decision-making. But when her partner comes with her, Lucy wants to explore. Automation is now unacceptably intrusive. The scale of Big Data's involvement always remains in the consumers control - delegation becomes a spectrum.
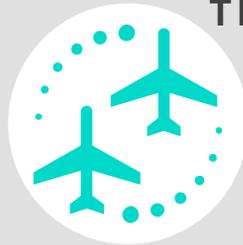
CONCLUSIONS

▶ Big Data cannot replace creativity. In a playing field levelled with information, it is *imagination* which turns insight into competitive advantage.

▶ Consumer indifference to Big Data's benefits must be carefully negotiated; and the data required will in many people's eyes, cross a boundary of acceptability. One bad experience will negate 1000s of subtly improved experiences.

▶ New skills are required for the benefits of Big Data to reach this level. What will training will the future require; and how long will it take?