Data Rich, Insight Poor: Using Data to Shape Consumer Behaviour

in Leisure & Hospitality
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Every day, our online behaviour produces an incomprehensible amount of data. The UK’s Market Research Society estimates that the data provided by consumers has a commercial worth of £3-£4 billion.

We unconsciously reveal personal information and parts of our personality: your name, your age, where you studied at university, the subject you studied, your career history right through to the name of your pet dog.

The sheer amount of data available is extremely positive for any business, regardless of industry. This information can be used to shape marketing strategy and heavily influence the decision making process of potential consumers. If data is collected, analysed and applied effectively it delivers tangible results.

With this in mind, this Reckless report explores the five stages of the decision-making process for online consumers, summarising what happens at each stage.

Furthermore, we detail the four categories of collectable data and ask, ‘what’s the difference between data and ‘big data’?’

The second stage of the analysis, explores how businesses within the leisure and hospitality industry can effectively use data to influence the decision-making process of potential visitors.
Understanding Data and the Decision Making Process
1.1 An Overview of the Decision Making Process

The data collected as a result of researching and analysing consumer behaviour should be used to inform business and marketing strategy. This applies to all businesses and organisations across all industries, not just those within leisure and hospitality.

Consumer behaviour is a complex psychology that can be hard to process and digest. However, the decision making process in the digital sphere for a first time buyer can be devised into five key stages according to Geoffrey P. Lantos, author of Consumer Behaviour in Action.

Figure 1. The Five Stages of Decision Making
1.1 An Overview of the Decision Making Process

In stage one the consumer is either passive or active. The passive consumer is not actively looking to book a holiday or make a purchase, but is inspired by an external catalyst, for example, social media posts.

The active consumer puts themselves in a situation to receive inspiration. An example of this behaviour would be visiting specific social media pages, searching for reviews or looking for discounts on websites such as Groupon.

The planning stage covers conceptualisation and comparison. This is when the potential customer starts to assess the suitability of the destination to their personal needs. For example, is the destination child friendly? Or, is it easy to travel to? More often than not, this is when price comparison is carried out.
1.1 An Overview of the Decision Making Process

Stage Three
Booking

The time frame of the online booking stage is dependent on the level of spend. For example, a person booking a two week holiday abroad will take longer to get to the booking stage compared to someone who is booking a trip to the theatre. This is because they tend to take longer at the planning stage.

Stage Four
Experience

The experience stage refers to the actual visit made by the consumer. It refers to all stages of the visit; pre, during and post visit.
1.1 An Overview of the Decision Making Process

Stage Five
Sharing

Stage five refers to the consumer sharing and reviewing their experience. This is an important stage of the cycle. If a customer takes to social media or review sites and gives a positive account of their personal experience, it means that they are highly likely to return to that destination. Reviewed experiences also inspire other potential customers and feeds directly back into stage one of the cycle.
1.2 Using Data

The five stage decision making process is a top-level overview and can be applied to any business with an ecommerce site. However, results can only be fully maximised if businesses analyse and action new business and marketing strategy based on their own quantifiable data.

In order to do this, businesses must firstly ask themselves how they can collect **useful, meaningful data** at each stage of the decision making process.

Secondly, they must identify which datasets give them the most insight into the customer behaviour of their target markets.

Lastly, based on the data collected, explore what business or marketing strategies can be put in place to **encourage more fluidity across all five stages, thus, increasing conversions**.

According to SmartInsights, there are four different types of collectable data that can be used to inform marketing strategy:
1.2 Using Data

Figure 2. Categorising Collectable Data

Identify Data
- Name Information
- Personal information (Birthday, Gender etc)
- Address
- Telephone number
- Email address
- Social network details (account identifiers, job information etc)

Quantitative Data
- Transactional information online and offline (number of products purchased etc)
- Communications (date, channel, opens, click through)
- Online activity (website visits, product views)
- Social network activity
- Customer services information (complaints, queries)
1.2 Using Data

**Descriptive Data**
- Family details (marital status, children, age of children)
- Lifestyle details (property type, car type, pets etc)
- Career details (profession, education level, seniority)

**Qualitative Data**
- Attitudinal information (how did they rate customer service? How did they rate overall value?)
- Opinion (favourite colour, favourite holiday destination etc)
- Motivational (Why was the product/service purchased? Why did they choose that specific product? etc)
There is no doubting that the data businesses are able to collect is extensive. However, businesses within the leisure and hospitality industry must understand that using data successfully is based on quality not quantity.

A study conducted by PwC and Iron Mountain in 2015 revealed that whilst 75% of business leaders feel that they make the most of their information assets, 45% of the companies surveyed obtain little tangible benefit from their information.

So, why is this the case? Why are businesses failing to get the most out for the information they have available to them?

The answer could lie in the misunderstanding of the popular phrase ‘big data.’

Big Data is described as:

**Extremely large data sets that may be analysed computationally to reveal patterns, trends, and associations, especially relating to human behaviour and interactions.**

The first mistake that businesses make is assuming that ‘big’ refers to volume. **While the volume of data should be substantial, it must also be varied.** Furthermore, ‘big data’ is not just information that is lost in a sea of static spreadsheets. Big data is analysed for patterns and trends that answer specific questions.
1.2 Using Data

In order to get the most out of the information available to them, businesses must **stop asking ‘what’ and focus on ‘why’**. Instead of a museum asking ‘What is our most popular exhibition?’ they should be asking, ‘Why is it our most popular exhibition?’

This strategy of analysing data to answer specific ‘why’ questions, can be applied to the five stages of the decision making process.

**Figure 3. Asking the Right Questions**

<table>
<thead>
<tr>
<th>WHAT</th>
<th>vs</th>
<th>WHY</th>
</tr>
</thead>
<tbody>
<tr>
<td>What social media is the least effective?</td>
<td>vs</td>
<td>Why aren’t our social media pages encouraging people to visit?</td>
</tr>
<tr>
<td>What audiences do we attract?</td>
<td>vs</td>
<td>Why isn’t our attraction appealing to families?</td>
</tr>
<tr>
<td>What’s our conversion rate?</td>
<td>vs</td>
<td>Why do we have a low conversion rate?</td>
</tr>
<tr>
<td>What do our customers rate us for value for money?</td>
<td>vs</td>
<td>Why don’t visitors score us highly for value for money</td>
</tr>
</tbody>
</table>
2

Using Data in the Leisure and Hospitality Industry
2. Using Data in the Leisure and Hospitality Industry

The leisure and hospitality industry captures huge volumes of data every day. They collect actionable data from their reservation and booking systems, POS & EPOS systems and website analytics, not to mention surveys and reviews.

Data produced by these platforms could be used to drastically modify how businesses within industry communicate with customers and also how effectively they meet customer expectation and demands.

However, in the leisure and hospitality industry, the process of using data effectively is still very much in its infancy. There is no doubting that businesses within the sector are capable of collecting the data. Hoteliers and tourist attractions find themselves overloaded with information, some of it useful; some of it not.

Consumer behaviour is influenced by spend. For example, if a customer is booking an overseas holiday, the decision making process is much more rigorous compared to booking tickets for an amusement park. However, businesses such as amusement parks, cinemas and museums that offer ‘leisure’ products should still be harnessing the power of data to influence the consumer.

So how can attractions use data to influence the decision making process?
2.1 Using Data to Inspire

Following the rise of ‘big data’, a common misconception made by leisure and hospitality businesses is the way in which data is used to engage specific audiences.

In the early stages of digital analytics, many marketing strategists only utilised a small percentage of data available. It is all too tempting to focus on easy data; age, gender and demographic.

Analysing a small cross-section of data means that hotels and attractions start to make assumptions about the audience that they think they should appeal to.

By making presumptions based on small segments of data, businesses within the industry are at risk of failing to communicate with alternative key audiences, limiting the ROI of their marketing activities.
2.1 Using Data to Inspire

While some businesses in this particular sector have improved their ability to work with the vast amount of data available to them, many have not. Research carried out by HubSpot revealed that

80% of companies across all industries are not meeting their goals for attracting their targeted monthly website visitors.

By failing to gain traction, hotels and tourist attractions exclude themselves from the first stage of the decision making process.

If their brand is not visible, how can it inspire people to visit?
2.1 Using Data to Inspire

In order to secure visibility and influence the first stage of the decision making process, businesses in the leisure and hospitality industry must firstly ensure that they are analysing more than just identity data.

By analysing interests, personal opinion and other description data sets, it is possible to incorporate a marketing strategy that is inclusive of a wider audience, and tailor marketing communications across differentiating platforms.

Data such as this shouldn’t just be used to answer ‘who’ to target, it should be used to answer questions such as ‘when is the prime time for family visits?’ or ‘why is there always an increase in visits from business customers during these months?’

Digging further into the data available enables businesses to identify trends and behaviours across different target markets.
How can theme parks such as Alton Towers use data to influence the first stage of the decision process?

Alton Towers has a wide audience base. It appeals to families, thrill seekers, business customers and those looking to take short weekend breaks; the age demographic is huge. However, by using data to pinpoint the key visiting times throughout the year for different market segments, it is able to tailor marketing activity on social media, promotional offers and content outreach.

Let’s say for example, that Alton Towers’ data revealed that footfall is at its lowest in the theme park throughout January, but the uptake for booking spa weekends and purchasing tickets for the waterpark is always greater. This may result in the park heavily promoting their spa and their waterpark via social media platforms, targeting segments whose interests match the activities. You might also expect a greater number of discount codes to be available to customers visiting the theme park.
Digital is the primary source of travel inspiration; **65% of consumers are inspired by online sources.** This means that the following three factors are imperative if you want to lead potential customers through the planning stage of the decision-making process and convert them into a sale:

- Search visibility of your website
- The quality of your website
- Website user experience

It’s important that businesses within the leisure and hospitality industry carefully review each stage to see how these areas can be improved.
In the planning stages of travel, research shows people turn to search first, according to research carried out by skiftx.com. They use a variety search terms on commercial search engines such as Google or Bing, to find the type of hotel or attraction they are interested in.

The words that users type into the search engine bar are hugely important to the success of any business, providing exposure like no other marketing channel. Developing an SEO strategy is crucial if you want your website to rank highly on commercial search engines.

Once a potential customer has found and clicked onto your website, there’s still a long way to go. The quality of your website can hugely influence whether or not the information on your site will be viewed and considered at all.

Is the design of your website eye-catching? Is the content engaging? Is the site maximised for seamless user experience? It’s important to consider that a website is most effective if it is optimised for mobile and other hand-held devices, not just desktop.
Mobile search has heavily increased over the last 5 years; 84% of leisure travellers rely on search engines via smartphones to find local information. Despite continuous growth, 83% of travellers have encountered a travel site that was not mobile optimised. If you are not catering to the needs of your audience, they are unlikely to convert into customers.

Tracking visitor behaviour on your website is also an important part of understanding how people interact with its interface.

Google Analytics can help you to discover the travel path of each visitor. Where did they originate from? Where did they leave? This kind of insight enables you to assess which pages and content often lead to conversions, and which have the opposite effect.
2.3 Using Data to Influence Booking

Live Chat functions usually come with a large price tag, and can greatly test the infrastructure of a website. There has been much debate over the years regarding the merits of embedding a live chat function. For some industries, it’s certainly a worthwhile investment.

For the hospitality industry in particular, using this kind of technology is an easy way to engage with potential customers and increase sales.

Research carried out by ehotelier revealed:

- 90% of customers consider live chat to be a helpful tool during the booking process.
- 63% are more likely to return to a website that offers live chat.
2.3 Using Data to Influence Booking

With the presence of social media and fast communication, everything is instantaneous. When potential customers have a question or a query about a hotel, they want them answered straightaway. They are unlikely to call or email the hotel if it doesn’t provide the information they are seeking.

Instead, they are more likely to search for an alternative hotel, a competitor. By engaging potential visitors quickly, they are more likely to convert into bookings.
Live chat offers more than just instant information for potential customers. It gives businesses the opportunity to analyse the most common patterns of interaction.

For example, a majority of enquiries might ask for the same information, ‘Do you provide cots?’ or ‘Do you have a late check-in option?’ If this is the case, it suggests that this information is not communicated effectively on the website, and the business might benefit from a content review. Alternatively, if the content is already featured it could suggest that the usability of the website is fragmented.

Live chat gives a real insight into the customer journey. By engaging with the customer early on, it enables businesses to shape future customer experience.
2.4 Using Data to Influence Experience

The decision making process doesn’t end after a customer has made a booking. The customer’s experience of their stay in a hotel, or visit to a museum can impact future decision making processes.

There are a number of ways to collate data regarding customer experience, the most obvious being exit surveys which are designed to capture the opinion of the customer immediately after their experience.

Whilst exit surveys are useful for gathering opinion, they do not reveal the behaviour patterns of visitors during their actual visit.

Alternatively, location-based data prompts can be used to gather more than just reviews and feedback. Smartphone enabled location data can be achieved though monitoring GPS, Wi-Fi and beacons.

Figure 4. Location Based Data Sources

GPS

Wifi

Beacons
2.4 Using Data to Influence Experience

Museums and art galleries, predominately based in the Netherlands, are steadily introducing beacons (low-cost, low-powered transmitters) to track the behaviour of visitors.

By utilising beacons, museums are able to gauge the real-time experiences of their customers. Beacons track what customers are interested in by recording the ‘dwell time,’ the amount of time spent looking at/engaging with each exhibit.

Beacons can also identify the busiest spots of the attraction, highlighting any problems with layout and the flow of traffic.

By collating this type of data, it is possible to gauge which areas/exhibits are the most popular, which further informs future decisions regarding the type of exhibits they feature.
A Reckless Insight

Collating geographical data increases the effectiveness of location-based marketing. For museums in particular, there are many benefits of tracking real-time customer journeys. Beacons can bring museums to life with location-based, rich media content.

Gamification:
Museums are able to enhance the learning experiences of their customers by producing interactive games through the creation of a dedicated app.

Self-Guided Tours:
Visitors do not have to search though a brochure or a handwritten guide to find out more about an exhibit. Beacons are able to pinpoint the location of visitors, providing them with personalised self-guided tours through their smartphones. Not only does this enrich customer experience, it also reduces the cost of producing and printing resources.
A Reckless Insight

Real-time feedback:
Location-based data enables museums to create and send visitor surveys directly to the app, securing immediate feedback. Surveys and feedback templates can be tailored to reflect the individual behaviours of visitors.

By providing location-based rich content, museums can enhance the overall experience of their visitors; increasing interaction levels and providing real value for money.
Once a visitor has completed the experience stage of the decision making process, they progress to the sharing stage. This refers to the way in which customers share their personal experience with others.

Traditionally, this would have taken the form of verbal conversations or recommendations. However, the growth of social media and review sites such as TripAdvisor, mean that the ‘sharing’ stage of the decision making process is more important than ever before.

TripAdvisor accounts for 280 million visits by travellers monthly, and has become a pivotal part of the decision making process; specifically in the desire and planning stages. For the leisure and hospitality industry in particular, negative reviews can be detrimental to gaining future custom as

89% of travellers say that reviews are ‘influential’ when booking a hotel or tickets to a tourist attraction.

Data can be used to influence the sharing stage of decision making as it enables hotels and attractions to learn from their visitors and implement positive changes. So, what is the best way of collecting data to influence the sharing stage?
A Reckless Insight

Qualitative data is the best type of research for influencing the sharing stage.

Historically, survey-led data was paper-based. Today, 94% of leisure travellers use a mobile device. While just 1% of customers take the time to fill out a paper-based survey or ‘review,’ 21-30% of consumers will complete a mobile survey. Capturing visitor-generated information presents the opportunity to analyse customer experiences and behaviours.

Data such as this can be used to identify strength and weaknesses in the customer journey during their visit. For example, if a tourist attraction receives feedback that consistently references dissatisfaction with queuing times, steps can be taken to improve this aspect for future customers.

In the long-term, this will help to strengthen online marketing strategies. How? The popularity of online reviews on sites such as TripAdvisor and social media channels can make or break the reputation of a business. By using data to address key issues that arise in customer journeys, businesses within the industry have a greater ability to influence online reviews that have the ability to encourage or discourage potential visitors.
Summary

While many businesses in the leisure and hospitality industry collect top-level consumer data, many do not effectively analyse and apply it.

The five stage decision-making process is widely understood, however, it is not effectively used to influence the customer journey.

By carefully considering the ways in which data can be collected across all stages of the decision-making process, businesses can become more educated about their consumers behaviours, allowing for the manipulation of online assets to drive increased conversions, thus providing real commercial uplift and ROI on marketing activities.
About Reckless

Founded in 2007, Reckless was born out of a passion to create more engaging digital experiences, pulling brands and customers closer together. Nine years on, Reckless has matured into an award-winning digital marketing agency with offices in Chester, London and Paris. We are proud of the clients we work with and the projects we create, forging lasting relationships to develop their digital offering and truly understand their own customers needs.

Our passion is people. We love learning about what makes them tick, what keeps them close to you and developing digital experiences that keep them engaged with your brand.

We look to convert today and retain tomorrow. To learn more about Reckless, including our work, our team and insight publications visit www.reckless.agency
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