

# Big data to boost travel sector

Like all other industries, travel and tourism has traditionally been operated on gut feel, guesswork and historical data. Decisions on packages, pricing and destinations were made by operators, not travellers, and personalised packages were limited. However, big data - and the ability to drill down into this data to intelligently analyse it - is set to change this.



By [Nadine Shenker](#) 12 Feb 2014

Big data is a buzzword, or catch-phrase, used to describe a massive volume of both structured and unstructured data that is so large that it's difficult to process using traditional database and software techniques.

Unsurprisingly, the travel industry has access to huge amounts of data, from personal details about the passengers, to the preferred travel routes, to hotel selections, to weather patterns, to how they use technology to select and book their travel. This information, when analysed together, can provide new insights into customers' preferences, and can help agencies to optimise their offering with the right deal, at the right time, at the best price and, most importantly, via the right channel.

## Taking travel personally

Access to data has also empowered the consumer, who is more informed and has access to a plethora of options. Booking travel via a single travel agent is now an outdated practice. The consumer is now in charge and dictates and demands that his or her requirements are met.

Tourists want to be treated as individuals; they do not want to feel like 'just another tourist'. The differentiator between mediocrity and success is how operators use their data to provide highly tailored and cost effective alternatives. For example, a middle aged couple that has travelled 16 hours to get to a particular destination may appreciate a quiet meal or a spa treatment as opposed to being driven around on a party bus. By understanding their customers' preferences, tour operators begin to build trust with their clientele, thus establishing loyalty and future business.

## Smarter travel and tourism

The secret to successfully using big data lies in the tool sets employed. You should not attempt to compete in the new world through the use of old world tools. There are a variety of tool sets on the market, including the IBM SPSS software suite that can assist in the entire analytics journey.

### Advanced analytics can support the travel and tourism sector in:

- Product development - "all inclusive holiday deals" can be tailored to each travel segment, ensuring higher adoption rates and increased revenues
- Optimisation of pricing of products: This enables tour operators to react quickly and dynamically to their competitor pricing actions. Strategies should consider: electronic devices, marketing channel, seasonality, route, location, airline ancillaries and the form of payment.
- Dynamic marketing tailored to each customer and channel
- Targeting customers based on their GPS coordinates: the cross sell and upsell opportunities are endless if you are able to track your customer location in real time and make relevant offers

Of course, all of this needs to be considered in the context of data privacy laws.

The key to success for the travel industry is personalisation, personalisation, personalisation. By understanding your customer, you will be able to offer them the right product, at the right price, to the right destination, at the right time. Advanced analytics performed on the wealth of big data available will empower business to achieve exactly that.

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