

Cities, Hoteliers Dig Data When It Comes to Business

Destination Marketers, Others Hunt for Ways to Stand Out

By PAUL HUGHES

More local cities, marketing groups and hotel companies are using data to decide how to reel in new business.

OC efforts include those by **Visit Anaheim, Newport Beach & Co.**, and **Visit Laguna Beach**, and hotel owners and operators **Irvine Company** and **Twenty Four Seven Hotels**, both in Newport Beach.

Methods can vary—the point is what the data reveals. Research and analysis includes everything from algorithms and analysis to person-to-person paper surveys.

“This kind of thing is becoming more common,” said **Vidyanand “VC” Choudhary**, associate professor at the Paul Merage School of Business at **University of California-Irvine**.



Choudhary: data can produce “fresh ideas”

Choudhary teaches on “data mining and how to use data to make decisions” and recently prepared a paper that crunches numbers from an online travel agency.

Tourism companies are “looking for fresh ideas ... and the business implications [of data],” he said.

City Search

Visit Anaheim, a destination marketer for Anaheim and Garden Grove, formed a unit



Rooms with a view: Inn at Laguna Beach, owned by Classic Hotels & Resorts, which mines visual data from social media to analyze demographics

last fall to make data-based business decisions.

“We needed better analysis,” said **Charles Harris**, senior vice president of marketing. “Data was coming in, but it wasn’t housed in one place.”

Harris’ two-man team—including one new hire—produces two dozen reports a month from data on visitor volume and spending, **John Wayne Airport** numbers, advertising campaigns, sales leads and

bookings, and other areas.

Raw material comes from memberships in travel organizations, local hotels, the airport, and paid research and advertising. “Data becomes actionable to make smarter decisions,” Harris said.

Two examples include ads on **TripAdvisor** and regular “TAP” reports done by **Strategic Data Resources LLC** in Overland Park, Kan.

TAP stands for “trends, analysis, projec-

tion,” and Anaheim’s reports focus on “citywide” events—ones that result in at least 1,500 hotel room nights at their peak. TripAdvisor ads produce reports on users’ interests and search habits.

Survey Says

Newport Beach & Co. recently put \$15,000 into an online survey process to “diagnose the health of the destination.”

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said Chief Executive **Gary Sherwin**.

It worked with **Destination Marketing Association International** in Washington, D.C., to produce questions about air access to the city, hotel quality, sports facilities, branding, and economic development.

Respondents included meeting planners, city officials and destination marketing groups outside the city, and Sherwin’s employees.

“The goal is to find out if your assumptions are incorrect,” he said. Results will drive a two-year marketing plan that begins July 1.

Newport Beach scored high on economic development and branding, but Sherwin said he wants more.

“We’re an established destination, but we want top-of-mind awareness,” he said. “When people think about or search for the best beach town in Southern California, we want them to think Newport Beach.”

Newport Beach & Co. also has used **Tourism Economics Inc.** in Wayne, Penn., to collect data for marketing plans and economic impact studies.

Visit Laguna Beach began a year-long research program in January on the city’s visitors.

“We have a good feel for who we attract, but we’re going to back it up,” said Chief Executive **Ashley Johnson**.

Research—web surveys, paper surveys at hotels, and direct interviews with visitors—is handled by **Destination Analysts Inc.** in San Francisco, which has also worked with Newport Beach & Co. and **Visit Huntington Beach**.

“Marketers understand it’s critical to have customer data,” said Destination An-



Harris: data results in “smarter decisions”



Grippo: Irvine Co. reports do many things with data



Rodriguez: This used to be a novelty.

“The best way to sell yourself is see what people think of you,” Grippo said.

Destination Irvine, which markets the city as part of its chamber of commerce, is in the midst of a two-month “geotargeting” campaign, or marketing and advertising delivered

based on where recipients are geographically. It’s aimed at travelers flying in or out of John Wayne Airport and staying in Irvine hotels.

“We want to see where they’re coming from and what interests them,” said **Wendy Haase**, the organization’s director of tourism marketing. “We’ll garner exposure and get information on them we can use.”

Classic Hotels & Resorts in Phoenix, which owns two hotels in Laguna Beach, gathers visual data from social media.

Laguna Beach House skews to a younger crowd that posts photos on Instagram, while the older clientele of Inn at Laguna Beach hits that hotel’s Facebook page, said **Emily Dille**, Classic’s director of marketing communications.

Dille tracks interactions on the sites, reviews demographic data, and integrates it with reports on hotel guests and visitors to the properties’ websites.

“It’s a wealth of information,” she said. “But data is just the first step—it’s what you do with it.”

New Tool

Twenty Four Seven Hotels in Newport Beach goes decidedly deep with its data

dives.

The hotel management company has devoted a separate division to data for about eight years—and its efforts have recently expanded.

“Their whole work is looking at data and making business decisions,” said **Isaac Rodriguez**, vice president for revenue strategy. “This used to be a novelty. Now it’s a huge influence on management companies.”

One area has been a review of “unconstrained demand” at **TownPlace Suites Anaheim**. The industry term refers to “total demand regardless of capacity,” Rodriguez said, and can be used to set room prices for any given time—and for deciding whether to discount.

Rodriguez, reviewing reservations records throughout the year, found the point at which the hotel experiences its highest demand, and the company set rates to maximize revenue.

The company took over management of the hotel in mid-2013 when average daily rates were about \$99. By June 2014, data-based assessment had grown that to \$123. It now stands at about \$138—a 40% increase in three years.

“Occupancy stays the same,” despite higher pricing, Rodriguez said, because the demand is there. Revenue goes up.

The dynamic pricing is “getting more complex,” he said, “and all the major (hotel) brands are focusing on it.”

He said the company also uses its data dimension to get new business—from hotel owners seeking management.

“We do case studies, mask the hotel name (for confidentiality),” and show prospects, he said. When they get a new management deal, “the first thing we do is a rate audit, pull the big data, and make informed decisions on rates.” ■