

Bahamas Pushes Tourism Analytics

With tourists as its lifeblood, the government of the Bahamas this month hooks all its major hotels and tourist boards into a centralized BI system for tracking visitors.

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By Scott Eden

Business intelligence in the Bahamas begins, essentially, on an airliner's descent into Nassau. Passengers fill out their immigration cards, take their vacations, and a few weeks or months later they might receive a thank you note from the Minister of Tourism, along with a piece of targeted marketing, depending on the "trip purpose" they denote on an immigration card. A honeymooning couple, for example, might receive something that suggests the Bahamas as the perfect place to celebrate a future wedding anniversary. A diving enthusiast might receive information on the island chain's coral reefs. A golfer might get a brochure detailing new courses.

This kind of targeted marketing became a priority for the Bahamas when its new Minister of Tourism, Obei Wilchombe, took office a few years ago, with a mandate to upgrade the island's technological resources and improve the country's customer relationship management (CRM) efforts.

Three years later, the government of the Bahamas is among the most advanced in the world when it comes to using BI in its tourism trade. With the help of Indusa, a small consulting firm run by a brother-sister team from India who have since relocated to Jamaica, the Bahamas will complete a big BI rollout this month, when all the major hotels and tourist boards in the country will be hooked up to a centralized BI system.

The new technology, says Jo Ram, chief of operations at Indusa, and the sister half of the team, has allowed the Bahamas to "save money. They've been able to reallocate their budget. So instead of spending money on blanket ad campaigns, now they can target them to actual visitor groups." Indusa received a contract to work with the Bahamas in 2001. To begin with, the government wanted a clearer look at who was entering the country and why, both for its billion-dollar tourism industry as well as, post 9/11, its national security. About 5.2 million people visit the Bahamas each year, making it the biggest destination in the Caribbean, as well as the most complicated when it comes to analyzing data.

The first order of business for Indusa was to re-design the nation's immigration cards, making the information-capture process a less sloppy affair. Instead of writing in their country of origin, tourists now circle one on a list. So instead of "England" and "U.K." and "Britain" scrawled illegibly in boxes, cards now bear circled, standard country names. Indusa is responsible for data entry. The company also set up a number of other data sources, including flight information and census figures, to give the Bahamas a better idea of tourist trends -- the most heavily trafficked airline routes, for instance, or a general idea of the income level of individual tourists, deduced from census figures. Indusa also is responsible for maintaining the Bahamas' databases -- IBM DB2 and Microsoft SQL Server -- and for providing the analysis. The company came up with more than 3,000 business rules, says James Ram, Indusa's chief executive.

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To analyze the data and deliver the salient numbers to government officials, Indusa had been using analytics software from Cognos, without a reporting tool. The company simply released pre-built OLAP cubes to its power users within the tourism ministry. The results were such a success, though, that the Bahamas decided to roll out BI apps to a wider audience -- the country's hoteliers and regional tourist boards -- so that they, too, could fine-tune their marketing. Previously the hotels and boards had been coming to Indusa to get their information. With the new deployment, they would be able to go into the system and do it themselves.

When the Bahamas decided to go ahead with the plan to include the hotel industry, however, it ran into a problem. The Cognos cubes worked for the relatively small number of users in the government ministries, but the same system would have been ungainly for the myriad end-users at the hotels, many of whom were not as tech-savvy as the ministry's power users.

After shopping around, and looking at reporting applications from Cognos, Microstrategy and Business Objects, Indusa finally settled on a tool from Actuate. Indusa won't say how much it spent for the Actuate apps. ("What we can say is: the Bahamas is spending nothing more from its budget than it did before," says James Ram.) But Indusa was able to obtain from Actuate a broad server license with an unlimited number of users, whereas the purchase of some other reporting apps would have required a per-seat user license. With the Bahamas on the verge of a huge deployment to a much wider audience, Actuate, therefore, was the less expensive choice.

But perhaps more importantly, Indusa says, Actuate gave them more flexibility. "Their reports have the look and feel of Excel," says Jo Ram. "So end users at the hotels can get the reports they want without extensive training." Also, the technology behind Actuate allows for the building of highly focused OLAP cubes. With Cognos, says Jo, "one of our main cubes had the ability to drill down, by day, into eight years' worth of data," including ZIP codes and flight numbers for individual visitors. "All of that sounds good," she continues, "but depending on what report you were pulling, that's just a massive amount of data hitting you." Actuate's smaller, more targeted cubes can be built in a matter of seconds, she says.

Key metrics in the reports now include the ever-important trip purpose; mode of arrival, which provides insight into visitor-spending levels; and visitor volume based on DMA, or designated market area -- the places around the world with the highest density of Bahamas travelers.

The system's success has been determined based on actionable information gleaned from the hard numbers. For example, the Bahamas had for a long time assumed that most private flights into the country carried people from Florida. Therefore, it had blanketed the state with advertisements for charter airlines. After a look at the new data, however, the ministry learned that visitors who arrive in the Bahamas on charters mostly come from Europe. They fly to the U.S. commercially, then charter flights once in Florida. The Bahamas soon changed its marketing strategy.

In another instance, a hotel learned that many of its visitors were arriving from New York. But only one flight a day flew direct to the Bahamas from the New York area. Most New Yorkers, then, had to connect in Atlanta. The Bahamas took this information to the airlines. Delta and Jet Blue started direct service from New York to Nassau in December.