



مينا لأك
MENALAC

مجلس الشرق الأوسط وشمال أفريقيا للترفيه والجذب السياحي
Middle East and North Africa Leisure & Attractions Council

VENDOR TALK - OCTOBER 2021

A NEW CUSTOMER STRATEGY FOR THE ENTERTAINMENT AND AMUSEMENT INDUSTRY

Why customer insights are no longer a
'GOOD TO HAVE' but a **'MUST HAVE'**
for attractions to grow revenues,
profits, and loyal customers.

Covid-19 has cruelly highlighted the unpredictability of our times. The situation is still so critical that it is impossible, in the short term at least, to fully understand not only the future impact but what is going to happen in the near term. Nevertheless, we can highlight what will be important for the future customer strategy and identify our main priorities.

We can trace the trajectories of reasoning, by asking ourselves: “What is the role of the entertainment and amusement industry in this historical moment:

“The Importance of Experience.”

We, humans, are social animals, and in the last 18+ months, we have discovered the impact of “social distancing” on our state of mind and well-being. In short, “It hasn’t made us feel very well”

While this crisis has led to an industry that has profoundly changed asymmetrically and possibly with different consequences for different operators, we know for sure that as “animals”, humans need to have the good moment of fun, entertainment, and need inside their soul the “beauty” of a nice experience with friends, to be amused by the best artists, to engage with new forms of attractions, and to be free of enjoying their free time with leisure.



مينا لأك
MENALAC

مجلس الشرق الأوسط وشمال أفريقيا للترفيه والحدب السياحي
Middle East and North Africa Leisure & Attractions Council

VENDOR TALK - OCTOBER 2021

With more and more people being vaccinated every day and some countries already lifting the social distancing measures, several of the old habits are returning and we can expect a recovery of our industry, although at different speeds with success depending on the type and location of the venue/event.

The Experience Industry has been involved for years in an innovation process at several levels such as:

- **Digital Transformation and Big Data** (reviewing the venue structure and processes in a context that is now deeply digitalized);
- **Experience Transformation** (helping evolve the business model from a prevailing ticket focus to a customer experience focus); and
- **Human Transformation** (remixing the skill set in this age of the knowledge economy, aligning individuals' attitudes to organizational objectives, bringing businesses and people closer together).

Covid19 has pushed the entire industry to invest, to experiment in new and different approaches. We have never experienced the ability of an entire industry in exiting from the "comfort zone" to try and provide new ways in creating value from touchless access and payment to new health and hygiene standards and processes.

And for this reason, it is very important to remind ourselves of Darwin: "It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change". History teaches that companies that act effectively during a crisis become stronger after it.

New Customer Strategy: From B2C to C2C

The Entertainment and Amusement Industry comprises of diverse sub-industries (Amusement Parks, Malls, Cinema, Concerts, Large Events, Festivals, etc.) - with each focused on the only important element of any company: The Customer.

The Customer is changed, and the way it was before Covid19, cannot be the way it will be after the Covid19 Experience. For this reason, we need to really understand that Customer Insights are no longer a 'GOOD TO HAVE' but a 'MUST HAVE' for attractions to grow happy loyal customers.

Customer Needs must remain the central point of all our discussions as an Industry, and hence we must have a clear data strategy inside the most important Customer Strategy.



مينا لأك
MENALAC

مجلس الشرق الأوسط وشمال أفريقيا للترفيه والجذب السياحي
Middle East and North Africa Leisure & Attractions Council

VENDOR TALK - OCTOBER 2021

“WHY” use Data?

DATA is a huge industry in the global market. Recent studies estimate the global value of the data industry to be around USD 220 billion in 2021, having rapidly grown in the last 5 years, with a huge jump in the last 2 years.

Data and analytics (generally called: research) is the only way for a business to predict consumer behavior, understand customer needs especially in large corporations, to improve decision-making, understand market needs and market trends, help outline how to focus the activities to increase the positive word-of-mouth to our activity and to determine the ROI of its efforts.

Our industry must start analyzing data for not only the business itself but more and more to understand the beneficiaries of our role, who is our market reach and what is the real competition in which our company is involved.

For many years Customer Insights have been seen as a “nice to have”. But today, the growth of the Entertainment Industry globally has made this activity a “second or third” important priority in the company plan. And yet, while the industry has started to put the Customer Strategy inside the company plan, in most of the companies the data strategy is split between Marketing on one side, and IT on the other side, where each entity works with a different dynamic and a different overall vision.

Only a few companies in our industry have taken the step that large corporations (like Coca-Cola, Microsoft, Facebook, etc.) have taken, where The Customer Experience becomes the Goal of the Company. All the other activities must become just a “result” of this clear vision: Customer is the Centre of any Strategy.

THE CUSTOMER STRATEGY for the next 3-5 years, that translates to the “revenue of a company” must be on the top of the agenda of the CEO or Top Management, where the Data Insights and the Customer Insights is a ‘MUST HAVE’ for attractions to grow happy loyal customers.



مينا لأك
MENALAC

مجلس الشرق الأوسط وشمال أفريقيا للترفيه والجذب السياحي
Middle East and North Africa Leisure & Attractions Council

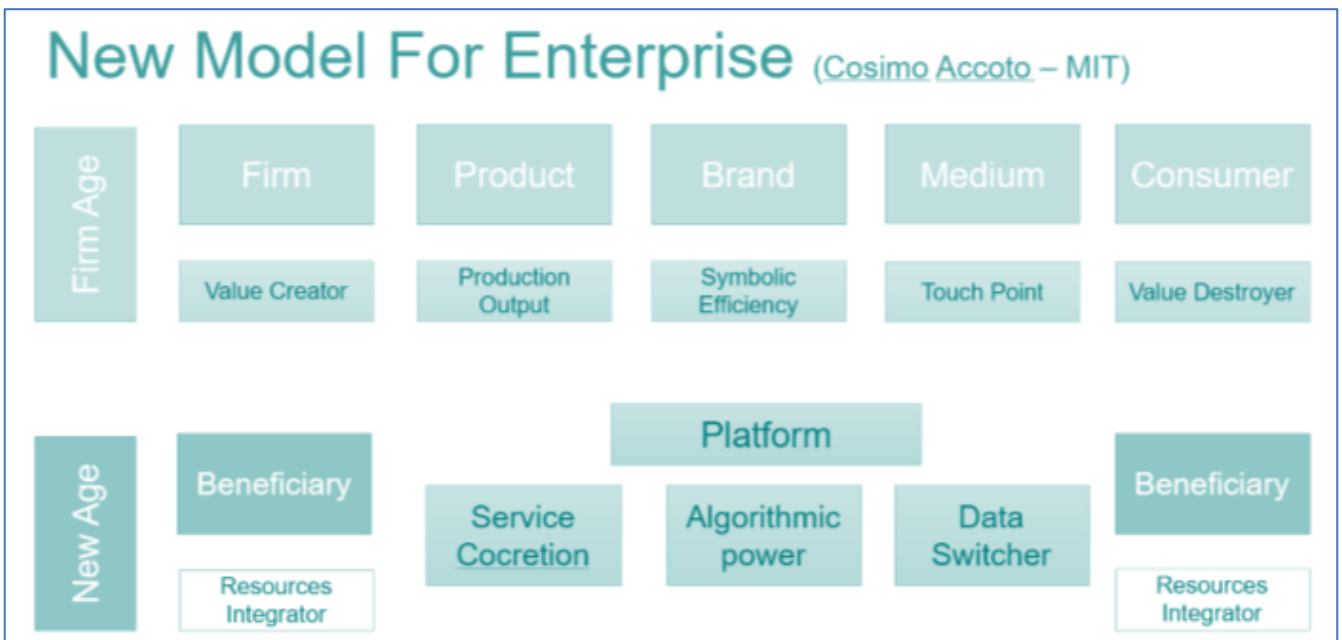
VENDOR TALK - OCTOBER 2021

Now that “The importance of data” in any customer strategy is a given, the **CORRECT CUSTOMER INSIGHTS** become equally important.

Our industry has for years been based on the model of B2C – Business to Consumer. In GRS Research, our mission of Humanizing Data means - disrupting the “status quo”: From B2C to C2B and C2C

Let us examine the current trends in customer strategy and the related use of data, which has undergone profound changes as traditional corporate structures have profoundly transformed over recent years.

For this, let’s understand the simplified models of "Firm Age" companies and "New Age" companies or "Platform Enterprise” proposed by Cosimo Accoto (Professor MIT - Boston), in this simplified scheme proposed in Figure 1, which maps the key elements in the transition from the era of ‘FIRM AGE’ business firm to that of ‘NEW AGE’ platforms model.



Here, a **FIRM AGE Company** is widely understood to mean a structured organization that is the creator of value. Its activities begin with a production process, using incoming proprietary “raw material/ideas” as an input, and ends with a product/service as the output (in our case, amusement venues, leisure experience).



مينا لأك
MENALAC

مجلس الشرق الأوسط وشمال أفريقيا للترفيه والحدب السياحي
Middle East and North Africa Leisure & Attractions Council

VENDOR TALK - OCTOBER 2021

This presupposes one or more “brands” as a mechanism for reducing market uncertainty and simplifying choice through an efficient symbol (the company brand). This leads to a combination of "media" that serves as a meeting and point of contact between the enterprise, the brand, and the user/consumer. Finally, at the end of this process, it is precisely the consumer, the user of the product or service, in our case the Visitor, who uses and destroys the value incorporated in the product. For this reason, we call our industry “B2C” Business to Consumer.

Although the details (customer journey, user experience, content storytelling, data intelligence) may be sophisticated, B2C remains the substance of the overall experience industry goal, where the Leisure Industry with its life cycle cyclically produces 3, 4, or maybe 5 hours of experience in the venue. Here, it is methodologically wrong to talk about an experience that grows from a few days a year to a much longer experience that could even last 365 days a year,

This Leisure and Entertainment industry business model is now outdated. Although it may still manage to give good margins in the medium to long term, it is destined to decline dramatically with the arrival of one or more operators who can develop a "platform" business model, that puts the customer at the center of the strategy.

The NEW AGE “Platform” Business Model deeply disrupts the familiar, linear logic of the "classic" system B2C, and allows operators to capitalize on the enormous intrinsic potential of the concept of the experience itself. For this reason, in the new organizational model, we must use new the term like "beneficiary" of the “service” (rather than “consumer” and “company”), to indicate all the actors involved in the new ecosystem.

All the actors benefit from services and they are all "integrators of resources", in the generation of value and mutual services because services are always exchanged for other services, such as values, goods, and in our main focus of the article: DATA.

The mantra of customer-centricity is going to be outdated soon. The new mantra is the "C2C - Customer to Customer" value.

This system is actually conceptually very simple to understand for those who live the experience itself. **The central point of this vision is to create a Customer Strategy by making a physical platform available to the consumer to fulfill themselves and share their passion and positive experience to the other potential clients, where the platform of business (the company, the venue, the owner) will become the pivot between different customer to drive growth through the customer word-of-mouth.**



مينا لأك
MENALAC

مجلس الشرق الأوسط وشمال أفريقيا للترفيه والجذب السياحي
Middle East and North Africa Leisure & Attractions Council

VENDOR TALK - OCTOBER 2021

Thanks to their added value, the two entities (customer and business) are themselves beneficiaries of the product of the experience.

The key point is that currently, the experience business system is not based on this "exchange value" between customers. The added value has always been seen in selling the asset, and increase the profit generated from this system - when infact our industry asset is the experience, the emotions, the memorability, the story to tell our friends and colleagues...

From Feedback to Feed-Forward

A big difference in the "platform" system is that compared to the classic vision of value generation, new businesses will be able to reduce the level of uncertainty and complexity through data and information management.

"Data is the new Oil: we need to find it, extract it, refine it, distribute it, and monetize it", and this phrase now represents a value that is more widely understood and accepted in all industries than ever.

The amount of data, information and interactions is so high and so evident, that being able to think of "creating a real customer strategy", leveraging positive word-of-mouth, is clearly the new oil of information in a precise and distilled way for the industry. It shows how the future business model can really differ from the current real estate pure business.

Disrupting the "Status Quo": B2C to C2B and From C2C

If you extend this concept vertically to the Entertainment industry, it seems clear that there is no other business environment that can bring together such complex set emotions and entertainment experiences that go directly to match with the needs of the customer.

The central point is that an element capable of having a "bandwidth" so large as to overcome the importance of the physical encounter has not yet arrived, so at this historical moment the Live Entertainment Experience Industry has an incredible competitive advantage compared to any new incoming business model (e-experiences). Like any competitive advantage, however, it must be defended and cultivated (and in some cases, even understood), and built around the real customer centricity, building the C2B or C2C Model:

C2B: "Customers create value and businesses consume that value"

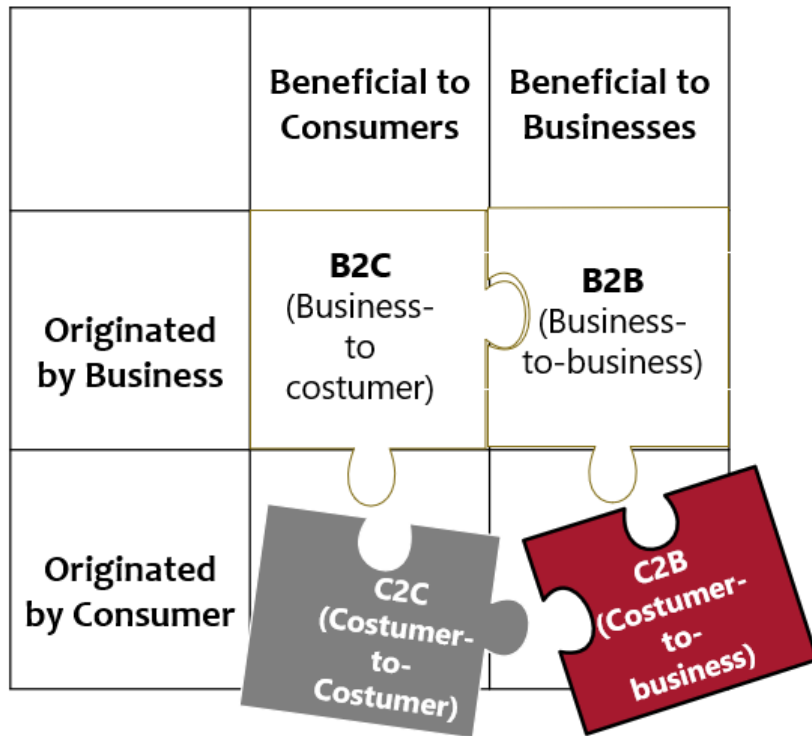
C2C: "Customer that advocate to other consumer"



مينا لأك
MENALAC

مجلس الشرق الأوسط وشمال أفريقيا للترفيه والجذب السياحي
Middle East and North Africa Leisure & Attractions Council

VENDOR TALK - OCTOBER 2021



The future is to go far beyond the old traps like explained in Figure 2 – (Sources GRS Research)

Substantial innovation in the feed-forward concept is the great difference between the symbolic non-efficiency of brand communication in the “past model”, compared to the great computational efficiency of the algorithms, based on the C2C model.

With the target being extremely heterogeneous and fragmented, and the lack of a physical "gateway" that allows the company to profile and monitor each customer's specificities in detail may be a daunting challenge, the Entertainment and Leisure Organization, that have cleared the importance of building a clear Customer Strategy from “top-down”, would gain an enormous advantage.

Although this is the biggest limit for all companies currently transforming from a classic model to a platform model, the entertainment industry entry/registration phase is one of the most enormous opportunities for profiling and "certifying" its own "beneficiaries", which if imagined in evolutionary contexts, will be the bargaining chip of the experience of the future, as it is the during/after experience feedback forms, as a part of the overall interactions between organizers and the experience itself.



مينا لأك
MENALAC

مجلس الشرق الأوسط وشمال أفريقيا للترفيه والحدب السياحي
Middle East and North Africa Leisure & Attractions Council

VENDOR TALK - OCTOBER 2021

All the data collecting during the journey of the customer give a precise “behavior”, but the real value of working in a “feed-forward” mode is to understand the “WHY” of that behavior, so creating the meeting between the quantitative data collected with the qualitative data coming from the listening and understanding the visitor experience thru specific survey and instruments

The real question every Entertainment owner should try to ask is:

"Who is able to bring together so many similar needs and coherent realities under one roof?" And "How this huge value can create real Customer Strategy that drives growth through a clear Customer Strategy.



Author Credits:

*This article is authored by **Enrico Gallorini**, CEO – GRS Research & Strategy (www.grsnet.it) and a member of MENALAC. Enrico is the Founder and CEO of GRS, a multinational boutique strategic research firm specialized in Large Events, Visitors Attractions and Exhibitions.*

He is one of the most sought-after experts in the experience industry worldwide and a very well-received speaker in numerous international conferences for events and visitor attractions. His areas of expertise include customer experience optimization, value creation through customer experience, visitor insights, large live events, visitor experience, b2b human interactions.

Disclaimer:

The advice shared above expresses the expert views, best practices, thoughts, and opinions of our author, and not necessarily those of the author's employer or MENALAC.