

Company & Context

TravelTide, a leading online travel platform, is focused on improving customer retention by understanding user behaviour and implementing a targeted rewards program. I analyzed user session data, and flight and hotel bookings to derive key metrics such as average session duration, conversion rate, cancellation proportion, and average spend per trip.

Objectives

- Measure engagement and financial metrics (e.g., session duration, conversion rate, average spend).
- Segment customers into groups that reflect their loyalty and revenue potential.
- Assign perks aligned with each segment's characteristics to enhance retention and satisfaction.

Key Metrics

Core metrics included total users, average session duration, conversion rate, cancellation proportion, average hotel spend per trip, and discount usage. These metrics provided a holistic view of user engagement and spending.

Customer Segmentation

A composite score (combining bookings, spending, engagement, and conversion) was used to classify customers into six groups:

1. Ultra High-Value
2. High-Value Loyal
3. Frequent Engaged
4. Moderate
5. Low Engagement
6. At-Risk

This segmentation illuminates differences in behaviour and informs tailored strategies.

Perks Assignment

A range of perks (e.g., lounge access, free child ticket, extra legroom seats) was assigned based on segment profiles. Each segment is assigned a targeted perk—from premium rewards like Lounge Access and Extra Legroom Seats for high-value customers to introductory discounts for at-risk users. The goal is to encourage further engagement from top customers and re-engage those at risk of churning.

Initial Outcomes & Next Steps

- High-value segments, though smaller, drive a significant share of revenue.
- Lower-engagement segments may respond to introductory discounts or more flexible policies.
- Future steps include A/B testing of perks, broader data integration, and direct customer feedback to refine and validate the approach.

This analysis lays the groundwork for a dynamic, data-driven approach to customer retention that will ultimately boost TravelTide's long-term revenue and loyalty.