

# Introduction

## Overview

Founded in April 2021, TravelTide has quickly established itself as a key player in the e-booking space, offering an extensive travel inventory backed by cutting-edge data aggregation and search technology. While the company's emphasis on an expansive inventory and robust search functionality has fueled notable growth, customer retention remains a critical area for improvement. To address this, TravelTide is now prioritizing the use of customer insights to develop a personalized marketing strategy that aims to bolster customer loyalty. This report presents essential data and insights that will inform the creation of a rewards program designed to enhance retention and drive long-term engagement.

## Objective

This report aims to provide data-driven insights to support the development of a personalized rewards program for TravelTide. The primary goals are:

- To identify key customer segments that are most likely to engage with the proposed perks.
- To determine the most relevant perks for each customer segment based on their specific behaviors and preferences.

These insights will assist the marketing team in crafting a tailored rewards program that maximizes customer retention and strengthens TravelTide's overall market position.

# Findings and Insights

## Finding 1: Geographic Distribution

83% of users are from the US, while 17% are from Canada.

### Insight:

Given the dominance of US-based users, marketing efforts should primarily target this market. However, the Canadian segment presents a growth opportunity. Tailoring marketing communications to this audience will be key to driving growth in Canada.

## Finding 2: Gender Distribution

- 88% of users are female, representing 88% of all bookings.

### Insight:

Given the high proportion of female users, promotions and perks should cater to their preferences. Wellness-focused perks, such as complimentary spa treatments and relaxation packages, would likely resonate with this demographic and increase engagement.

## Finding 3: Marital Status

- 44% of users are married, and 33% have children.

### Insight:

A significant portion of users are married or have children, emphasizing the need for family-oriented perks. Bundled offers for families and couples could enhance customer satisfaction and drive additional sales by offering multiple services within a single package.

## Finding 4: Dominant Customer Segments

- Family Travelers
- Young Adult Frequent Travelers
- Dreamers

Together, these groups represent:

- 90% of total users
- 89% of total flights booked
- 87% of total hotel spending
- 92% of total checked bags

### Insight:

These three customer segments are the primary drivers of user engagement and revenue for TravelTide. Marketing strategies and rewards programs should focus on these segments, tailoring perks to their preferences. Offering family-oriented packages, loyalty benefits for frequent travelers, and aspirational destination offers will strengthen customer loyalty and increase retention.

## Finding 5: User Behavior on the Website

- Family Travelers, Young Adult Frequent Travelers, and Dreamers show the longest lead times before booking.
- These groups generate the longest average session durations and account for the highest number of sessions.

### Insight:

These segments are deliberate in planning their trips and are likely to respond well to exclusive discounts, early bird offers, and value-driven promotions. Additionally, they place a high value on flexibility, making free cancellation and date-change options particularly effective for engaging these groups.

## Finding 6: Top Spend Groups

- Business Travelers are the highest spenders, averaging \$3,500 on hotels and 11 flights per user.
- Young Frequent Travelers spend an average of \$2,800 on hotels and 5 flights per user.
- Young Adult Frequent Travelers spend an average of \$2,300 on hotels and book 6 flights per user.

### Insight:

These groups demonstrate significant purchasing power, but their needs differ:

- Business Travelers prioritize convenience and efficiency over discounts, requiring perks such as early check-in, lounge access, and airport transfers.
- Young Adult Frequent Travelers have a mix of high purchasing power and price sensitivity. Offering rewards like free hotel nights, complimentary checked bags, and occasional upgrades can improve loyalty.
- Young Frequent Travelers show strong growth potential. Perks like free checked bags, complimentary hotel meals, and milestone-based rewards could help expand and retain this group.

## Perks Assignment by Customer Group

Customer Group	Assigned Perks	Rationale
Family Travelers	Free Hotel Meal, No Cancellation Fee, Free Hotel Night	Families plan carefully, value flexibility, and appreciate added services. These perks meet their needs for flexibility and added value.
Young Adult Frequent Travelers	Free Hotel Night, Priority Boarding, Free Checked Bag	Frequent young adult travelers value loyalty rewards, upgrades, and time-saving perks that enhance their travel experience.
Young Frequent Travelers	Free Checked Bag, Complimentary Hotel Meal, Milestone-Based Rewards	Young frequent travelers are growing in spending and loyalty; rewards tied to activity milestones encourage continued use.

Dreamers	Free Checked Bag, Free Hotel Meal, Occasional Upgrades	Dreamers are aspirational and price-sensitive. Affordable and aspirational perks stimulate engagement and encourage more bookings.
Business Travelers	Airport Lounge Access, Priority Boarding, Airport/Hotel Pick-Up Service	Business travelers prioritize speed, comfort, and efficiency; premium perks enhance their travel journey.
Senior Travelers	Free Hotel Meal, No Cancellation Fee, Airport/Hotel Pick-Up Service	Seniors value comfort, safety, and flexibility. These perks reduce travel stress and enhance satisfaction.
Others (General Travelers)	Free Checked Bag, No Cancellation Fee, Free Hotel Meal	For occasional travelers, simple value-driven perks promote repeat bookings and increased loyalty.

## Recommendation

1. **Target US Market:** Focus marketing efforts on the dominant US user base while tailoring strategies for the growing Canadian segment.
2. **Gender-Centric Promotions:** Design wellness-focused perks targeting the 88% female user base to increase engagement.
3. **Family-Oriented Offers:** Create bundled offers and family-friendly perks to cater to the significant number of married users and those with children.
4. **Loyalty Programs:** Develop loyalty rewards that incentivize frequent bookings, particularly for Young Adult Frequent Travelers and Business Travelers.
5. **Value-Driven Promotions:** Offer exclusive discounts, early bird offers, and flexible booking options to Family Travelers, Dreamers, and Young Adult Frequent Travelers.
6. **Corporate Travel Packages:** Customize perks like early check-in and lounge access to meet the specific needs of Business Travelers.
7. **Track and Adjust:** Regularly monitor customer engagement to refine perks and ensure alignment with evolving customer preferences.

## Conclusion

The insights provided in this report highlight critical customer behaviors and preferences, forming the foundation for a personalized rewards program that will drive customer retention at TravelTide. By aligning the rewards program with the specific needs of each customer segment, TravelTide can foster stronger customer loyalty, enhance engagement, and increase revenue.