**Executive Summary on the Analysis of TravelTide’s future Loyalty Program**

**Introduction/Background**

TravelTide has successfully attracted a broad customer base to its online booking platform. To ensure sustained growth, it's crucial to focus not just on acquiring but also retaining customers. This analysis aimed to lay the groundwork for a Personalized Rewards Program by identifying perks that will resonate with different customer segments.

Analysing the behaviour of our most active users allows us to create personalized marketing strategies.

Objectives:

The primary objective of this project is to deepen our understanding of our diverse customer base. We aim to discover which rewards or perks will encourage customers to continue using TravelTide.

Additionally, Industry Experience indicated 5 commonly used perks to attract customers. By identifying different customer behavioural groups, we aim to see if behavioural history would validate matching these perks to meet specific travel needs and preferences.

**Methodology**

Our approach involved an in-depth analysis of customer behaviours that could indicate the types of perks they would value the most. Specifically, we examined patterns in customer online activity, age and family groups, booking preferences… and other types of profiling info.

Our focus was on customers with more than seven sessions since the beginning of 2023, representing the type of active customers we aim to retain.

To better understand our website users, we ran some calculations on the above-mentioned patterns of information that could be collected from our platform; from how they used TravelTide, to who they were, their spending habits, etc...

These calculations are derived from data such as the number of sessions, clicks per session, total bookings, or amount of discount obtained, so, If you’d like to gain deeper insights about these, feel free to reach out.

Using the results of these calculations we were able to, through advanced data analysis techniques, check if our user activity aligned with our initial strategy draft: having our marketing customization efforts be based on the theorized 5 perks.

**Key Findings**

The information we gathered - and our analysis of it - suggests that from a mere data point of view, an initial lower number of marketing strategies might be more in line with our customer base behaviour.

Nonetheless, our industry experience encouraged us to explore five distinct customer patterns, and here are our insights:

* **Group 1: Travel Enthusiasts** - Mainly older customers who could be less tech-savvy but consistent in making bookings.

**Suggested Perk**: Free Hotel Meal

* **Group 2: Young and Restless** - Primarily younger customers who explore the platform extensively (high clicks per session) but have higher cancellation rates.
  + **Suggested Perk**: No Cancellation Fees
* **Group 3: Deal Hunters**  
  Customers of various ages who seek the best deals, especially discounts.
  + **Suggested Perk**: Exclusive Discounts
* **Group 4: Frequent Packagers**  
  Customers who often book flights and hotels together.
  + **Suggested Perk**: Book a Flight, Get 1 Night Free
* **Group 5: Special Group**  
  This group was an ‘incognita’, it doesn't align well with any existing perk categories, indicating that none of the chosen marketing strategies would have an especially meaningful impact on their retention. Needs further research.

Special Note:

Our analysis found that “free checked bags” would not be especially preferred by any of the customer groups. Although 2 groups are clearly ranking higher in their use of checked bags, data shows other perks would be much more attractive to any of them. This is a crucial insight for resource allocation.

**Recommendations/Next Steps**

1. Implement the Rewards Program with the perks identified for each customer segment.
2. Swap the assigned perks in the style of an A|B test, to see how customers react.
3. Gather their opinion; Compare what we think they want, with what they think they want.
4. Continuously monitor customer engagement and make data-driven adjustments to the program as needed.
5. Consider soft launching the rewards program, thus facilitating analysis of its impact and the allocation of resources. IF you look at the bewlow charts you can see, for example, that group 4 has by far the highest number of users (nearly 34%) and has been the 2nd highest spending group in our analysed timeframe, making it a good candidate for an initial launch of a personalized marketing plan.

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1. Develop other Loyalty strategies, with your data analysis team always at your disposal!