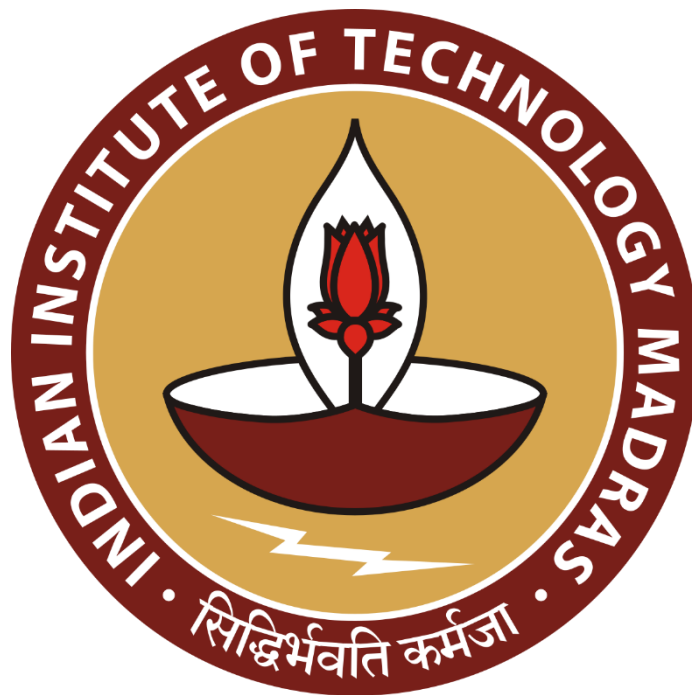# Improving Customer Acquisition at Gypsy Soul Holidays

An End Term report for the BDM capstone Project

Submitted by

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1 Executive Summary and Title

The startup "Gypsy Soul Holidays" is a B2C enterprise, started by Ms. Ashmi Dharia and is based in Kemps Corner, Mumbai. In an extremely competitive market, it seeks to establish a solid foundation. Major goal of the project is to help the company resolve one of the main issues the company is facing, which is getting potential customers to trust in the competence and dependability of the organisation. In addition, the company also finds it difficult to find qualified candidates at their competitive pay.

To address the issues, the approach that will be used for this project in overcoming such challenges will be by finding solutions by a data-driven approach using tools like Excel and Python-machine learning approach. Sales data of the company will be explored and accordingly patterns and trends across the year will be found.

By expediting the hiring process, the travel agency may lower operational inefficiencies and improve overall business performance simultaneously. Through sales analysis, the business can determine which services and when they result in high margins, and then work to increase sales of those services. It may also attempt to address off-season issues by lowering prices by a little percentage. The business might reward staff by offering bonuses for each customer and award discounts to loyal clients. The company can also give early bird discounts to customers who book in advance. It can also reward customers who give referrals to people, by offering them discounts. This will lead to more customers through word of mouth.

Better and speedier hiring practices, enhanced market positioning, and more successful and efficient client acquisition techniques are the anticipated results. Gypsy Soul Holidays will be able to solve a few problems and build a solid foundation for future growth by incorporating data analytics into the decision-making process. This will put the company in a better position to gain competitive advantage in the tourism sector.

2 Detailed Explanation of Analysis Process/Method

Gypsy Soul Holidays provided data for the financial year 2023-24. The data was a blend of clean and mix data, hence not in an organised way on which analysis could be done, so based on the data, what insights can be driven was found. The 12 months dataset was inconsistent structurally and hence needed an in-depth look into any discrepancies such as missing values, duplicate information, and inconsistent formatting. The key objectives included:

- Cleaning the data to remove any inconsistencies or inaccuracies.
- Applying mathematical formulas for GST, margin, and revenue calculations.
- Generating multiple types of visualizations to better understand the data.

The first step required in the analysis process was data cleaning. Columns involved in the given dataset were Date, Month, Invoice/CN No, Pax, GST, Service, Amount Received (Amt Recd), Revenue, Margin, etc. The goal was to ensure that all financial figures and dates were

in the correct format for further analysis. The dataset was imported to google colab and the following code was run to make sure all values are in numeric format and the date column was in date and time format.

```python
df['Revenue'] = pd.to_numeric(df['Revenue'], errors='coerce')
df['Date'] = pd.to_datetime(df['Date'], format='%d-%m-%Y', errors='coerce')
```

(2.1) Code snippet to format the data

GST Calculation: The dataset included columns for CGST, SGST, and IGST, and the Total GST was computed as the summation of these three components:

Total GST= Σ(CGST+SGST+IGST)

The Total Revenue is the total amount received excluding GST; it could be represented as:

Revenue = Σ (Amount Received – Total GST)

Margin is the profit earned by Gypsy Soul Holidays; it is represented as Revenue minus Amount paid

Margin = Σ (Revenue – Amount Paid)

Pax	GST	Service	Amt Recd	CGST	SGST	IGST	Total GST	Revenue	Amt Paid
1	27AAGFJ4705R1ZU	Ticket	72274	347	347		=J2+K2+L2	=I2-M2	3779
2	30BAUPS3914C1ZS	Ticket	105700			900	=J3+K3+L3	=I3-M3	99800
4		Package	469030	11168	11168		=J4+K4+L4	=I4-M4	223581
2		Package	312240	7435	7435		=J5+K5+L5	=I5-M5	246750
3		Ticket	224160	1080	1080		=J6+K6+L6	=I6-M6	75210
4		Hotel	47755	171	171		=J7+K7+L7	=I7-M7	45513
1		Ticket	462350	270	270		=J8+K8+L8	=I8-M8	458810
5		Package	397051	9454	9454		=J9+K9+L9	=I9-M9	342302
1	27AAGFJ4705R1ZU	Hotel	9280	90	90		=J10+K10+L10	=I10-M10	8120
1	27AAGFJ4705R1ZU	Car	26973	643	643		=J11+K11+L11	=I11-M11	6514
1		Visa	7700	119	119		=J12+K12+L12	=I12-M12	6150
1	27AAGFJ4705R1ZU	Ticket	56187	252	252		=J13+K13+L13	=I13-M13	2880
2	27AHYPG9826H2ZK	Package	250809	5972	5972		=J14+K14+L14	=I14-M14	205041
2		Visa	11800	855	855		=J15+K15+L15	=I15-M15	590
4	27AACCJ3745N1Z6	Package	326646	7778	7778		=J16+K16+L16	=I16-M16	113583
2	27AAIPS5670A1ZN	Ticket	38928	189	189		=J17+K17+L17	=I17-M17	18128
1	27AAGFJ4705R1ZU	Ticket	34878	189	189		=J18+K18+L18	=I18-M18	5892
1	27AAGFJ4705R1ZU	Hotel	18287	216	216		=J19+K19+L19	=I19-M19	8064
2		Ticket	224745	720	720		=J20+K20+L20	=I20-M20	213865
4	27AAGFJ4705R1ZU	Ticket	61464	315	315		=J21+K21+L21	=I21-M21	2886
1		Ticket	11736	450	450		=J22+K22+L22	=I22-M22	5836
2	27AAGFJ4705R1ZU	Ticket	318186	567	567		=J23+K23+L23	=I23-M23	19447
4		Ticket	22541	90	90		=J24+K24+L24	=I24-M24	21361
1		Ticket	157643	90	90		=J25+K25+L25	=I25-M25	156463
3	27AAIPS5670A1ZN	Ticket	683907	675	675		=J26+K26+L26	=I26-M26	430018
2		Insurance	18880	441	441		=J27+K27+L27	=I27-M27	13104
2		Visa	29820	9	9		=J28+K28+L28	=I28-M28	29702

(2.2) Formulas in the cleaned dataset

The data was then categorized and separated according to the relevant month, where data use can be eligible for reviewing and comparing monthly performance. Briefly reviewing this data and filtering out key information helped in further analysis. Categorising monthly was the best option as it gave a complete analysis on the data. Daily or weekly analysis did not result in meaningful insights and there was not enough data to be worked upon.
The data was therefore summarized and rearranged utilizing pivot tables so that any important insights or trends could then be viewed across the various dimensions, including over time, by service type. Pivot tables allow for very powerful dynamic analysis whereby the view of the data may be changed with ease so the underlying trends may be identified.

Then, many visualizations in the form of graphs were created to facilitate insight into trends and distributions within this data. Line chart was used to show trends in total revenue over the year, which showed how the company's revenue changed month by month. Then the core business was analysed and it was found that there were 3 services which generated 96% of the revenue and hence from those services, a pie chart was created to find which service generates the most revenue. A bar chart was drawn to see which service accounts for maximum % of margin. A bar chart was drawn to see Top 5 services by margin (%). To calculate the margin % for each service the formula was used -

$$\text{Margin Percentage} = \left(\frac{\text{Margin of the service}}{\text{Total Margin}} \right) \times 100$$

A heatmap showing Correlation Between Pax, Amount Received, Revenue, and Margin was drawn and valuable insights relating to how one is related to another was seen. Using these graphs, the peak season for the travel firm was found and the most profitable service was found. Hence, from this data, solutions can be found to increase customer acquisition and hire workers.

The steps helped transform the data from a jumbled and unorganised collection of data to a structured and insightful data. The cleaning and analysis of data was done using excel and python libraries like numpy and pandas. The graphs were plotted using the python libraries - matplotlib and seaborn.

```
service_margin = df.groupby('Service')['Margin'].sum() / df.groupby('Service')['Revenue'].sum()
service_margin = service_margin.sort_values(ascending=False).head(5)
service_margin.plot(kind='bar', color='lightgreen')
```

(2.3) Code snippet to plot Top 5 Services by Margin (%)

3   Results and Findings
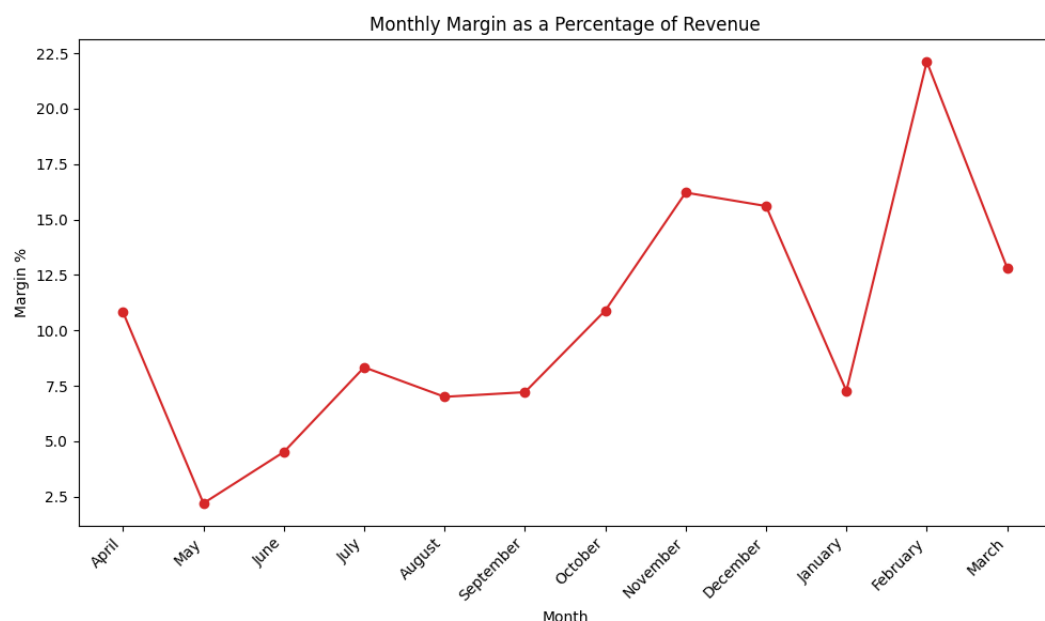
(6.1) Monthly Margin as a Percentage of Revenue

Based on the graph a few things can be observed -

The revenue pattern is fluctuating throughout the whole year. This proves the variability in business performance, because tourism is very seasonal oriented.

July to November shows an increase in demand for travel as it is festival season in India so most people prefer to travel during these times.

However, this trend drops precipitously in December, which may not be expected considering Christmas and New Year holidays but a reason for the drop in sales is that prices in December are very high so people evade traveling at this time.

During off-peak months like June and December, the company could direct groups of people to cheap travel bundles or early bird offers for the peak. This would attract price-concerned customers who prefer not to travel during high season because prices are high. This in turn would increase sales during months that otherwise would have very minimal revenue. Moreover, the demography based and students, family-oriented digital marketing campaigns will reach more customers during summer and festive holidays.
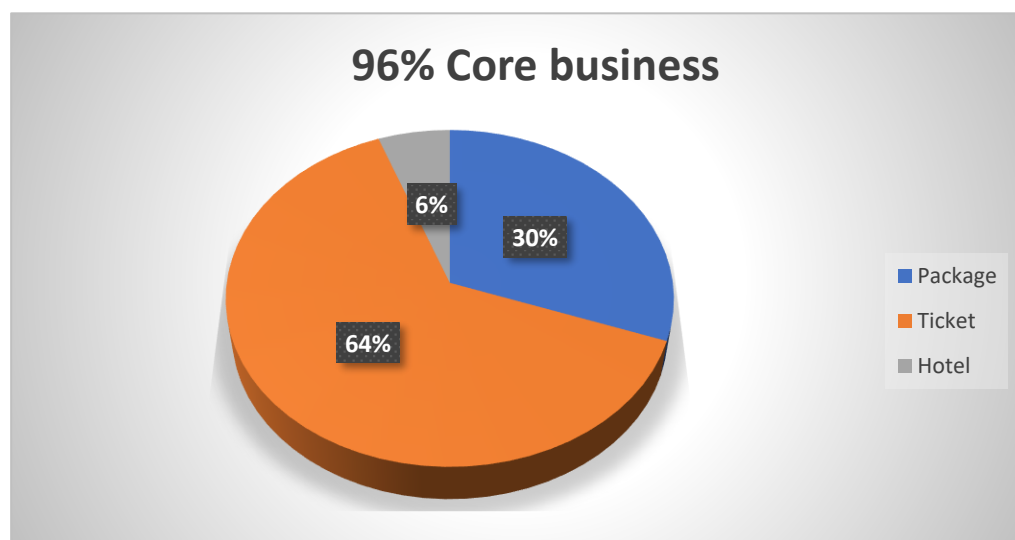
(6.2) Core business' proportion to total revenue

To find what services are generating more revenue a pie chart was plotted. It was found 96% of the revenue was generated from the top 3 services – Tickets, Packages and Hotel. Tickets were accounting for 64% of the top 3.
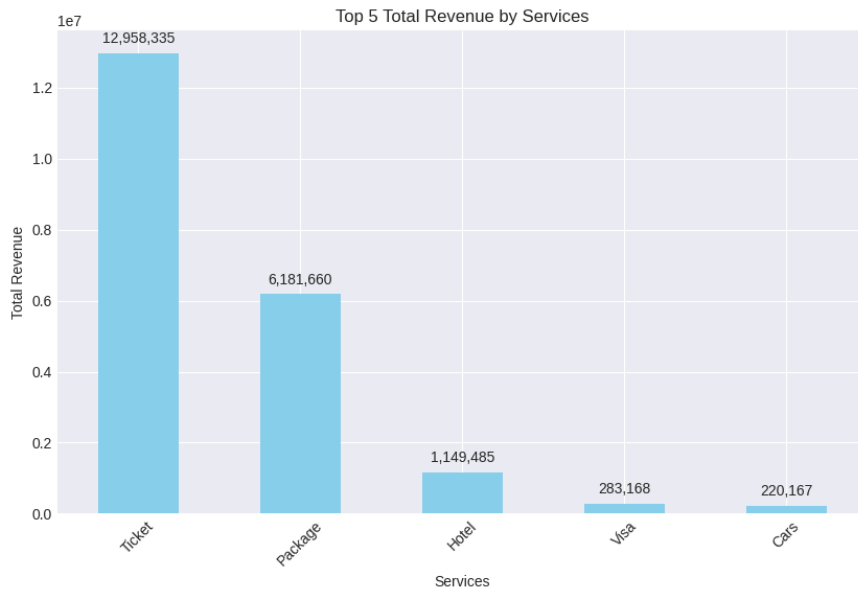
(6.3) Top 5 Total Revenue by Services

The graph (6.3) shows the total revenue in value for the top 5 services and it is found that tickets generate the most revenue at 1,29,58,335 INR in the financial year followed by packages at 61,81,600 INR.

Tickets may account to maximum revenue which is 64% of the 96% revenue this is because most of the people involve assistance to buy tickets at a lower cost without going through the hassle themselves, but only a few percent of people opt for an entire trip package for a holiday.

This is reflected in the pie chart in sales distribution where ticket sale forms the dominant aspect of this business. This then means that ticket service can be one major pull factor for clients to the business since it pulls the highest proportion of clients.
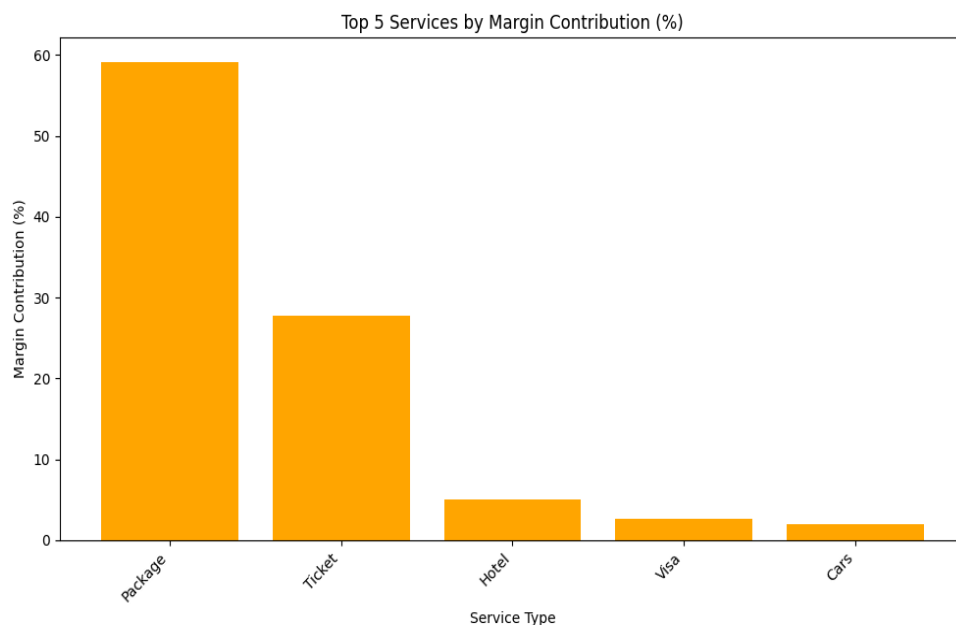

(6.4) Top 5 services by Margin (%)

Now, on the other hand, if we consider the profit margins, as huge as the ticket sales may be, we may observe that the margins are quite low in comparison to the other service, that is, the sales of the package. Packages deliver much better margins, and that is one of the reasons they turn out to be the best service of all though their selling volumes are quite lower.

The company should aim to increase their package sales and one way to do it is to turn ticket buyers into package buyers and this could be done through tailor-made packages and therefore, the sale of a package captures a higher margin.

The aim should be to maximise profits, so that the company can hire trained professionals at the market cost.

Total Pax over the months
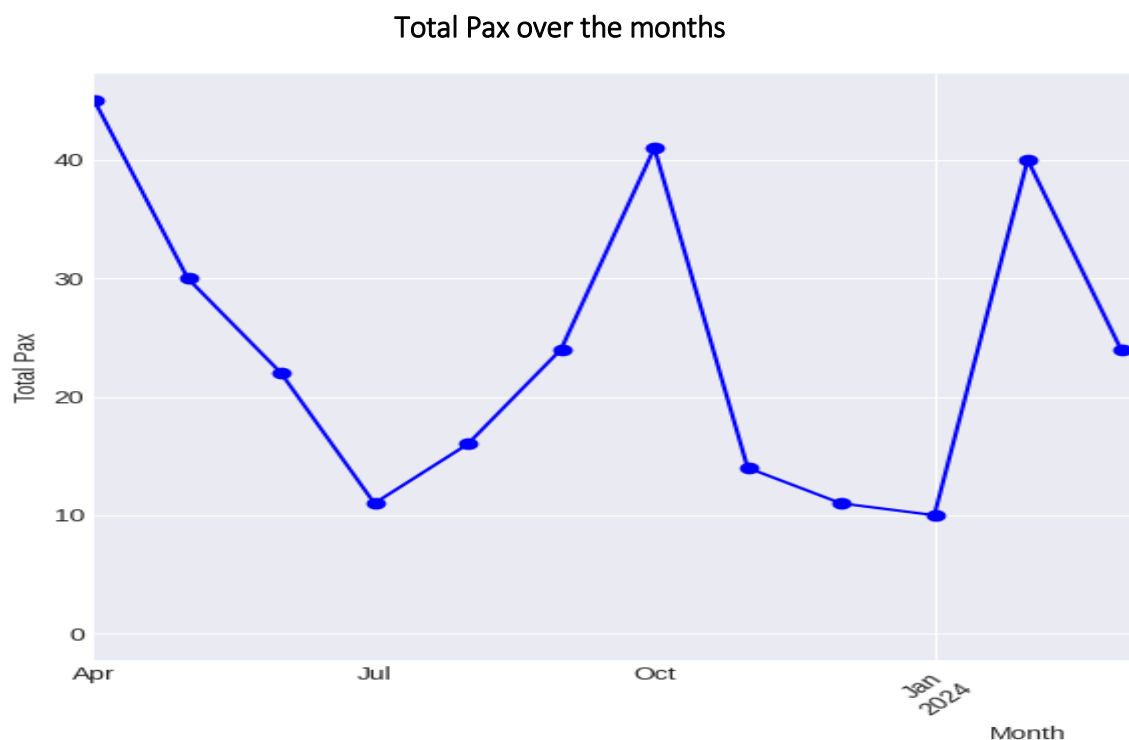
(6.5) Total Pax over the months

The graph (6.4) shows similar trends to graph (6.1) Monthly Margin as a Percentage of Revenue, which suggests increase in number of people travelling leads to a higher revenue.

In April 2023 Pax Count has a relatively large headcount at over 40 passengers. This indicates a surge in demand for services by this month, mainly due to summer vacations.

Pax Count Declines Between May and July: Following the high in April, May, June, and July clearly point to a downward trend. The bottoming out points, then, is close to 10 passengers in July. This sharp decline might be due to seasonal factors as monsoon starts in India and schools begin for children.

Recovery in August and September: Passenger figures begin to rise again after falling mid-year as of August and peaking once more at October. October sees a high-rise, bringing the

count back up to 40 passengers, at an equal level seen in April. Main reason for such a peak would be festivals, especially Diwali.

Post-October Drop: Then it again tapers down in November and December with losing passengers to another trough at the end of the year.

The trend resumes in January 2024, the passenger count manages to approach 40 passengers. This may be because this time it coincides with the New Year and winter vacations. It is followed by a decline in February and march.

Gypsy Soul Holidays should look to targeting peak travel times: The two peaks in October and January indicate high demand. The company can offer premium packages or loyalty programs for these periods to earn more revenue and encourage repeated reservation.
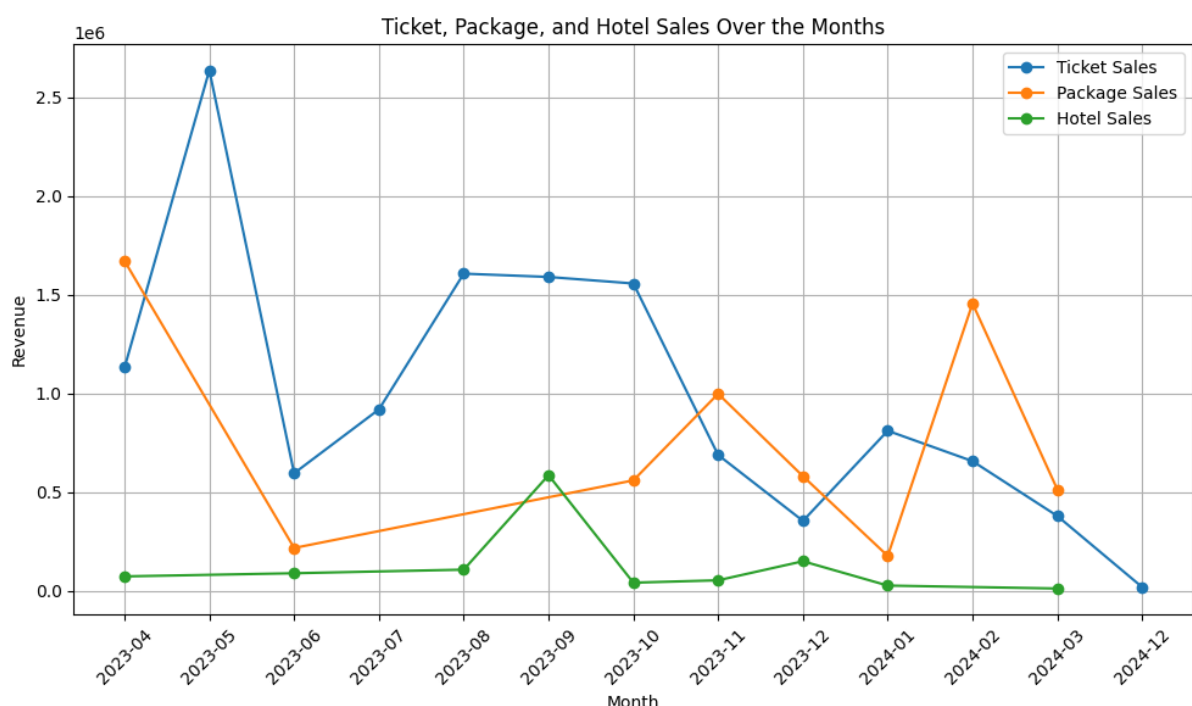
(6.6) Sales of Top 3 services over the months

The services data on the graphs presents rather intricate interrelations between ticket sales, package deals, and hotel bookings through the course of the fiscal year. Such multifaceted interaction of supply and demand dynamics suggests a mix of challenges and opportunities for the company to maximise profit and increase customer acquisition.

The fiscal year begins in April with a heterogeneous landscape: peak package sales this time, while relatively modest ticket and hotel bookings. It is likely that this pattern reflects consumer demand for travel bundles at the start of peak season--a demand that may be satisfied by a desire to simplify planning and realize through service bundling what is perceived as the cost efficiencies.

A sharp shift can be seen in May, when ticket sales peak and package sales concurrently decline. The sudden change in consumer behaviour may be ascribed to an unusual last-minute rush in bookings at the approach of summer or by growing corporate travels just before the monsoon season, which normally sets in.

Strategy – Gypsy Soul Holidays should focus on upselling packages and hotels alongside tickets in May to boost overall revenue.

A worrying trough runs across all categories of sales from June through July. Such an unplanned depression may have many macros to do, a post-pandemic change in travel behaviour, or even less favourable weather forecasts.

Strategy - The company can introduce 'monsoon offers' and promotions to stimulate bookings. Consider package deals combining tickets with hotels to increase hotel sales.

Later, ticket sales crept slowly upward, and managed to take the lead in the recovery from August through October. September registered an unusual, higher-than normal clip in bookings for hotels, unlike every other month that had come along up until then. This could be an omen for business travel to be coming back, or a more strategic period of 'shoulder season' for travellers before crowded peak summer traveling and top prices send them in another direction. The fact, however that this growth was not accompanied by any great growth in net revenue leads one to assume that these bookings occur at lower price points or for a shorter period.

Strategy - During this period, the company can capitalize on hotel demand in September by slightly increasing hotel margins. Create ticket + hotel bundles for October to maintain momentum

Holiday season-specific dynamics: November and December. Ticket and hotel sales are low, while package sales are high. It is quite likely that this pattern reflects holiday travellers' tendency towards hassle-free, all-inclusive getaways around the travel period. A slight decline in overall December revenues, when it appears that package sales rose would indicate aggressive discounting or promotional moves to drive volume in the face of saturation.

Strategy - Push holiday-themed package deals. Consider to lower margins slightly to drive volume during this slower period.

January and February are shaped like a rebound. Package sales top out at the second highest level for the year in February when margin percentage attained also peaks, as shown above. This event of high volume of sales at a significant degree of margin makes February an important month for the company in terms of profitability. This is perhaps because of advance sales of packages, or may also be because of seasonal spill-over into winter breaks.

Strategy - Maintain higher margins by increasing the prices of packages slightly. Introduce promotions for hotels to boost that category.

March, perhaps surprisingly, shows an overall decline in all categories. This would be a cause for concern and may be because students have exams in the month of March.

These trends should each be addressed through a combination of the following strategic initiatives in order to improve total performance:

1. Sales Stabilization and Dynamic Pricing: Tackling the gross fluctuations of sales throughout a year. It may be accomplished with targeted marketing and pricing plans to promotions and package deals in June/July so that some bookings can be garnered during that trough. Likewise, the fall-off in the third quarter of March/April may be counter-balanced by numerous "summer break" promotional efforts and "monsoon deals" reservation incentives.

2. Cross-Category Optimization: Take advantage of optimization opportunities in inter-category sales. For those months where some categories are selling more than the others, including, for instance, September, when hotel sales are firm, use this momentum to create promotions that bundle these best-performing services with a view towards growing total sales. This is both a source of revenue growth and enhancement of customer value proposition in that the company begins to offer more holistic travel solutions.

3. Margin Management: Manage for the significant swings in margin percentages quarter-to-quarter. While demand does drive some seasonal fluctuation, consistent margins may better reflect stable profitability. This could be achieved either through price management at busy times and cost control measures during slower months.

4. Customer Segmentation: Create advanced customer segmentation. Themed propositions based on the analysis of a business pattern and the customer liking and themed propositions towards targeted customer segments. For example, if business travellers constitute the sale for the month of September in the hotel, then create packages or loyalty programs for business travellers to increase the market share.

5. Product Diversification: Make products more diverse in an effort to spread revenue coming from a smaller pool over fewer dependency categories on any one category of sales. This could include strategic partnership opportunities that offer providers of local experiences unique add-ons to ticket or hotel stays, or creating exclusive packages at off-peak times for price sensitive travellers.

The company will thus achieve stability in the revenue flow through such a strategic approach, maximize returns at times when there is maximum activity, minimize losses during slow seasons, and also create avenues for agility, intense customer understanding, and innovation that will be important for success in such an endeavour.

By implementing these strategies, the company will be having dynamic prices and offers for monthly trends which will lead to having more customers in every season and not just the peak travel time. Having higher margin also improves the company's chance to spend money on targeted marketing and it can afford to give discounts to its loyal customers. Higher margin also leads to the company being able to hire trained workforce. That in turn will lead to more customers for the travel startup.

Number of Bookings by Each Customer (Pax Name) - Top 3

(6.7) Number of bookings by each customer

This shows the number of bookings for the top three frequent bookers. These customers can be seen in a bar chart showing their booking frequency. These are the clients who would be the best prospects for special deals, additional discounts, or loyalty programs. Rewarding these high-frequency bookers will help in customer relationship building to encourage repeat business, thus improving customer retention and satisfaction. These loyal customers are treated to some exclusive benefits that help in their long-term engagement with future bookings.

Other than that, data-driven strategies allow Gypsy Soul Holidays to do targeted marketing in booking its most frequent bookers. Through analyzing the customers' booking patterns and preferences, the company can personalize its offers in accordance with their travel habits. The customers travelling around summers and festivals, who can be targeted with special promotions before any such event, say special package upgrades. Such a targeted approach would make the high-frequency customers feel welcome and appreciated for their loyalty to come back again and again to the company to book new trips with them. Besides, if loyalty programs are provided with free upgrade, bonus points, or referral incentives, even more repeat business is encouraged.

Thus, these diversified, individualized marketing efforts will not only add value to customer retention but also ensure further expanded word-of-mouth references, ultimately making strong customer acquisition policies. It will keep close association with customers' most profitable clients and eventually build a reliable customer base which shall be supportive in long-term revenue growth.

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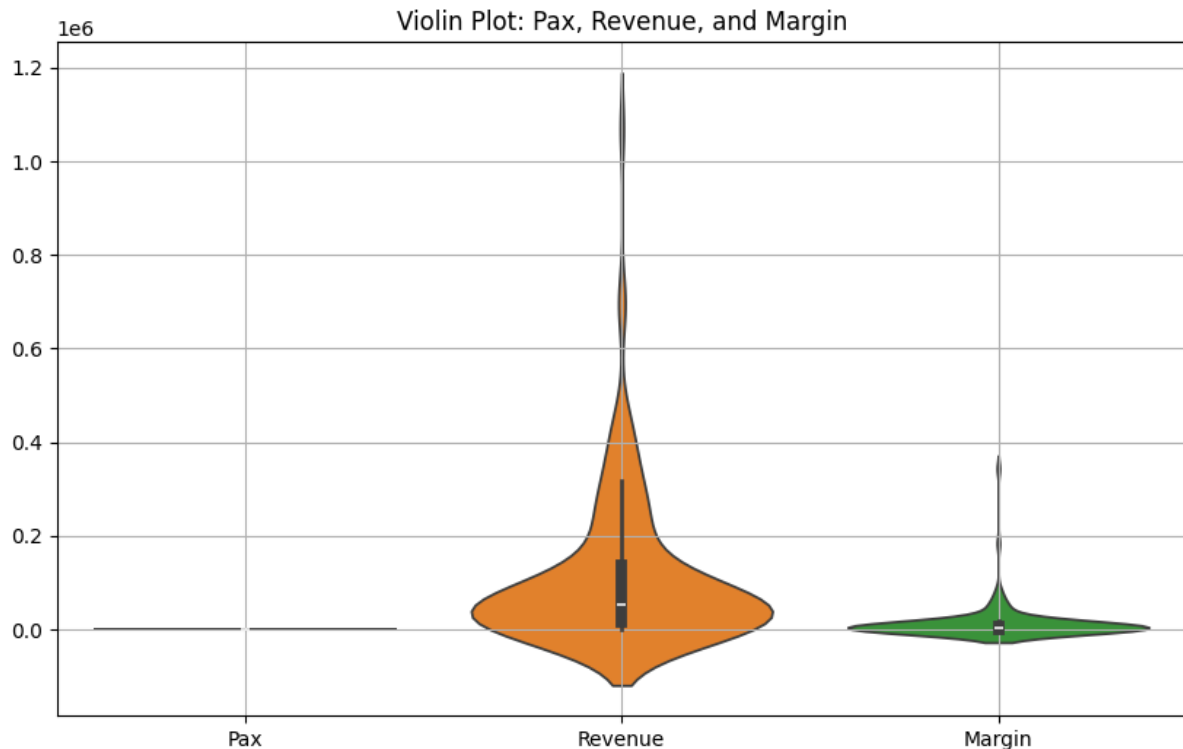
(6.8) Violin Plot for Pax, Revenue and Margin

Violin plot has three key metrics: Pax, Revenue and Margin graphed on a rich view. Each "violin" represents the probability density of the data at different values symmetrically plotted on both sides of a central axis. It is plotted to see the variance in the metrics.

Pax (Passenger Count)

Pax violin. It is a very thin line with a slight bulge at the bottom. This shape indicates:

- Variability among passenger counts is very low across all observations.
- A concentration of data points at the lower end of the range.
- Some possibly higher values creating the very thin, extended line upwards.

Reasons for this distribution:

- Reliable booking patterns: The company's customers remain stable.

Revenue

The Revenue violin shows the most complex and diversified distribution:

- Broad base tapering to a peak at one end with corresponding right-skewed distribution
- Presence of many bulges or modes - There could be different revenue clusters.
- The long thin tail at the top of the violin denotes infrequent high-revenue outliers

Reasons for this type of distribution:

- Price variation: The travel industry often uses dynamic pricing. As a result, the revenue is likely to fluctuate significantly even if passenger counts are comparatively similar.

- Seasonal effects: High seasons will produce the higher bulges, and low seasons will generate the lower counts.
- Product line: Different services given generates different levels of income.
- Special event or promotions: A few seemingly occurring high income outliers may be from specific instances with special high-value items or group booking.

Margin

The Violin plot for Margin is more bell-shaped than Revenue but still yields some attractive features:

- Gathers most around the middle, indicating a distribution with a central tendency around the median margin
- Falls off but is still significant tails, which indicates some measure of variability in both high and low margins
- Bunches up at the higher end, suggests a smaller population of higher-margin transactions

Reasons for this type of distribution:

- Cost structure: fairly close to symmetric; the degree of symmetry is suggesting that cost basis is relatively stable, and the margins are bunching up on some form of expected value.
- Pricing strategies: The business seems to have kept decently consistent margins for most of the deals, with flexibility to accommodate some off-beat pretty much higher margins.
- Product diversity: Likely, varied products or services will have different margin profiles. This results in the spread that is seen.

Comparing the metrics -

High Variance in Revenue vs. Low Variance in Pax:

- This suggests that revenue fluctuations are driven more by pricing and product mix than by passenger volume.
- It marks a business model which can generate dramatically different revenues from the same number of customers by big-package sales, or variety in product offerings.

Medium variance in Margin vs. High variance in Revenue

This implies that the business has strategies to maintain relatively stable margins despite fluctuating revenues.

Low Variance in Pax v/s Moderate Variance in Margin:

This relationship suggests that profitability per customer varies more than the number of customers itself.

It points to a business model where the value extracted per customer is a more significant driver of financial performance than pure volume.

(6.9) Heatmap for correlation between Pax, Amount received, Revenue and Margin

Using the correlation matrix a lot of insights can be drawn. GST was not taken for the graph as higher margin will lead to higher taxes so it shows a positive correlation.

1. Pax and Amt Received (Correlation: 0.17)

This shows that the correlation between the number of passengers and the amount received is a weak positive relation, 0.17. This means that for every increase in the number of passengers, there's a related slight increase in the amount received but the relation isn't too strong either. The low positive correlation may suggest a higher revenue generated, but not in straight-line proportion by having more passengers. This might happen perhaps when more passengers are opting for services at lower price points, or when groups result in better deals, thereby effectively bringing down revenue per passenger.

2. Pax and Revenue (Correlation: 0.17)

Even here, the correlation of Pax with Revenue is 0.17. Here again it reflects the pattern observed above with Amt Received. This weak positive correlation shows that more passengers mean more revenue, but increase is not linear again. That may imply that the revenues on higher sides are driven more by the type of service or package rather than just passenger volumes. A case in point would be a single passenger booking a premium package which could be more significant in revenues than multiple passengers booking basic services.

3. Pax and Margin: (Correlation 0.15)

The correlation between Pax and Margin is even weaker, at 0.15. It illustrates a weak positive relationship; an increase in the number of passengers does not robustly affect the profit margin of the company. This may mean that margins are more sensitive to the type of service

offered than to the passengers. For instance, some premium services or packages with smaller passengers may yield higher margins than basic services with larger passengers.

4. Amt Received and Revenue (Correlation: 1.00)

Amt Received and Revenue correlate at a point of 1.00, which means that there ought to be perfect positive correlation because the amount received actually forms part of total revenue. It implies that with every unit of revenue, there's perfect reflection in terms of the amount received; hence, it is free from discrepancies or other major revenue reporting factors like deferred payments. Revenue was defined as amount received excluding total taxes; hence it should be having a correlation of 1, else there may be errors in the data. The heatmap verifies there are no discrepancies.

5. Amt Received and Margin (Correlation: 0.73)

Amt Received and Margin are correlated at a level of 0.73, which shows that most of the time, higher amounts received are likely to result in higher margins. Perhaps this is interpreted as services with higher revenues having a probability of being more profitable. However, since the correlation is less than 1.00 this could indicate that there is some variability, in part due to the cost structure of some services. For example, tickets generate much more revenue as compared to other services but could have a greater operating cost such that even though more revenues are generated, the margin is lower.

6. Revenue and Margin (Correlation 0.71)

The Correlation between Revenue and Margin was also 0.71 which is once again supportive of a very strong positive relationship. This means that when more revenue is coming, the company's margins also rise with it. What this correlation would imply is higher revenue for services increases profit. A lower level of correlation than Amt Received and Margin (0.73) would mean that sometimes revenue is still not fully converted to profit, accounting for the varied cost structure. For example, services where there are higher costs of inputs would have even lower margins even though revenues may be huge. For instance, third party fees or commissions are usually involved when there is selling of tickets.

High profitability of such a high correlation among Revenue, Amt Received and Margin means that services generating revenue have a likelihood of being more profitable to the business. This would focus strategic decisions toward up-selling higher value packages or targeting services that maximise margins.

Weak Influence by Pax Count: The weak correlation between Pax and the other metrics suggests that Pax count is likely to be a small influencer of the performance rather than any other factor. This may open up a scope targeting fewer customers by paying for high premium services or luxury packages for maximizing returns.

Loyalty and Group Bookings: Since the relationship between Pax and Revenue/Margin is loose, loyalty programmes or discount schemes to loyal individual as well as group bookers may easily increase overall margins without necessarily having to increase the number of passengers. Value per passenger should therefore be maximised through upselling or premium experiences rather than linearly incremental basis of bookings.

The heatmap gives a clear picture about how revenues, receipts, and margins are inter-related with each other. The three financial metrics are characterized by strong positive correlations. On the other hand, a weak relationship with passenger count indicates that profitability is likely driven by focusing on revenue-generating services and optimizing the customer experience rather than merely increasing passenger numbers.

4 Interpretation of Results and Recommendation

(4.1) Recommendation 1: Utilize a Loss Leader type pricing strategy on Ticket Sales

To create customer acquisition with Gypsy Soul Holidays, it would do well to adopt a loss-leader strategy on tickets. By reducing margins on tickets (but not taking a loss), the company can make travel bookings more attractive to new customers.

According to the analysis, ticket sales comprise a large share of revenues, mostly during peak seasons like May and July to September, however, they have lower margins. For most travellers, tickets will be the window of entry, and a competitive pricing model, therefore, could be expected to yield more first-time customers to the fold. Having made the ticket booking, the company could then upsell higher-margin products such as the complete travel packages. Ticket sellers can be motivated with performance rewards that can convert ticket buyers into package buyers.

This policy will bring more booking in months of off-peak seasons and maintain customer acquisition all through the year, which will not impair high-margin services.

(4.2) Recommendation 2: Reward workforce with conversion bonuses to raise retention and acquisition

Good talent retention - where salary in the travel industry is obviously competitive - would pose a critical issue for Gypsy Soul Holidays. One data-driven solution for this will be the setting up of incentives for employees tied up with conversion rates. For instance, employees who could convert ticket-only customers into a package customer who has a higher margin should be rewarded with a commission-based bonus.

This will create a conducive setting wherein the employees will be motivated to sell more profitable products, and, at the same time, the base salaries need not increase by a high amount. Additionally, this policy would enable a more dedicated workforce since employees would more likely stay with a company if it benefits directly from what they achieve.

(4.3) Recommendation 3: Offer Discounts and Loyalty Programs for Repeat Customers

We can also see from the data that there are repeat customers who frequently buy tickets and travel packages. In an effort to encourage retention, Gypsy Soul Holidays should offer loyalty discounts or exclusive perks to customers who have taken multiple trips within the year.

For instance, customers who will book more than one trip within a calendar year can be entitled to reduced prices for subsequent future bookings or customized packages of interest. Otherwise, a points-based loyalty program may be used which could feature tiers like Silver, Gold and Platinum, with each level offering rewards so that the frequent customers can collect points which may later be redeemed for discounted travel packages or premium services. This will not only enhance customer retention but also facilitate loyalty as the frequent travellers will never opt for competitors.

Another way to tackle fluctuating demand, especially during off-peak months, is to introduce early-bird discounts and seasonal promotions. Offering early-booking discounts for off-peak travel dates (such as June or September) can attract customers who are planning their vacations in advance. This can help Gypsy Soul Holidays smooth out revenue dips in traditionally slower periods while still maintaining profitability.

Seasonal promotions can also be tailored to specific travel trends or holiday periods, such as offering discounts for group travel during festival seasons or holiday deals for families during school vacations. By aligning promotions with customer needs and preferences, Gypsy Soul Holidays can attract new customers and retain existing ones, all while maximizing occupancy and bookings during underperforming periods.

(4.4) Recommendation 4: Set Up a Referral Program to Take Advantage of Word-of-Mouth Marketing

A referral program may serve as an effective way to gain new customers. According to the statistics, there is a certain percentage of repeat customers who might play a huge role in bringing in new clients. Gypsy Soul Holidays may give such a reward to those customers by granting them any discount on their next trip for every new customer they bring into the organization. For example, if a loyal customer brings his friend who books a package, they can offer him or her 5% off their next booking or free upgrades on services.

Additionally, Gypsy Soul Holidays can offer discount for groups to attract more customers. It will allow having more customers traveling in bigger groups and providing tiered discounts according to the size of the booking. For example, 3% discount can be offered when 5 or more customers book, 5% when 10 or more customers book, and so on. With more people, higher discount rates or free activities can be provided. This is not only growing the number of ticket and package sales but also generating more organic referrals as existing customers are motivated to invite friends and family to join trips.

This is an organic route to growth powered by word-of-mouth marketing. This happens to be something quite trusted by prospects than direct advertising. And it also makes sure that happy customers help to push the brand, thereby increasing acquisition without much marketing investment.

(4.5) Recommendation 5: Have part-time and seasonal workers during peak periods.

As can be seen from the data, the tourism business is highly seasonal. Hence, a flexible workforce model, such as part-time or seasonal, would help in minimizing costs and could minimize the challenge of hiring a full-time workforce at peak times. Hiring the part-time workforce for high-demand periods like summer vacation or the festival season would keep the company's full-time salary commitments lower throughout the year, while it still has adequate staff at peak times.

Furthermore, the part-time employees can be motivated through incentives such as a bonus tied to their performance where staff handle more clients or upsell higher-margin packages. Other benefits such as temporary contracts with flexible working hours can also attract young workers or retirees who are seeking part-time opportunities and show the company to a wider talent pool.

(4.6) Recommendation 6: Target Marketing to Succeed in Customer Acquisition and Obtaining a Flexible Labour force

(4.6.1) Customer Acquisition

Targeted marketing would certainly allow Gypsy Soul Holidays to attract more customers while on the other hand solve the problem of hiring and retaining a flexible workforce. Based on data gathered from previous bookings, the company would be able to categorize several customer categories—such as frequent travellers, families, or people with keen interest in different travel destinations or services—and devise specific marketing strategies that can easily reach such clients. For instance, evaluating any previous purchase or booking patterns will show trends related to customers' preferences. This trend might be used as a type of personalized offer strategy.

Past booking data have indicated that some clients book when schools are on summer break, while others prefer traveling during long weekends or holidays. This will enable Gypsy Soul Holidays to well-target campaign lines focusing on family-friendly packages to be in keeping with selective offers, as well as weekend getaway deals, for young professionals. Such specific tailoring is more appealing to the needs of customers than nonspecific movements in campaign lines, which positively increases the prospects for new bookings.

Moreover, targeted digital marketing strategies—such as email campaigns, social media ads, or retargeting ads—can reach potential customers who have previously shown interest in the company's services. By utilizing tools like Google Ads or Facebook Audience Insights, Gypsy Soul Holidays can track website visitors who didn't complete a booking and present them with personalized reminders or promotions. This continuous engagement improves the chance of converting these potential leads into actual customers. The company can also send targeted emails during the festival season like Diwali and offer discounts to customers booking via it.

(4.6.2) Hiring Workforce

On the workforce front, targeted marketing can help the company attract part-time or seasonal workers more effectively. By understanding the seasonal fluctuations in customer demand, Gypsy Soul Holidays can tailor its recruitment strategies to specific times of the year when more employees are needed, such as during the summer holidays or festival season. Through targeted social media and online job platforms, the company can advertise temporary or part-time job openings to specific demographic groups, such as students looking for summer employment or people who might be looking for part-time jobs.

One way to increase the workforce at a not very expensive cost would be to hire students studying to become a travel agent, as interns. This can be done at low to no cost and it acts as a win-win situation as the travel company will receive the help that it needs to increase customer acquisition and the students will have an opportunity to learn from the startup owner and work in a real industry. The company can employ this method during peak times and provide students with 2 to 3 months internships.

5   Important links

BDM Project folder - https://bit.ly/bdmproject