# TravelTide Customer Rewards Program

## Data-Driven Segmentation for Personalized Customer Engagement Strategy

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Project: Customer Analytics & Rewards Program Design

# The TravelTide Story

## Company Context

- Founded in April 2021 during the COVID recovery, with Kevin Talanick as operating CEO &
- Elena Tarrant, TravelTide's Head of Marketing
- Best-in-class data aggregation and search technology
- Largest travel inventory in the e-booking space
- Experiencing steady growth



**Customer Growth Since Launch**

1,020,926 customers

# The Challenge

TravelTide serves thousands of customers, but we're treating them all the same.

| | | |
|---|---|---|
| **5,722** Active Customers | **Different** Travel Behaviors | **One** Current Strategy |

## The Opportunity

By understanding our customers better, we can create personalized rewards that increases booking and loyalty.

# Decided Approach: Smart Segmentation

6 months of customer data were analyzed to identify distinct groups:

⇨ **What they spend** - Total bookings and average transaction value

⇨ **How often they book** - Session frequency and booking patterns

⇨ **Travel preferences** - flight types, hotel stays, and destinations

⇨ **Engagement levels** - how actively they use our platform

**Result**: 3 distinct customer segments were identified, each requiring a different approach to maximize their value.

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# Meet Our Three Customer Segments

## 💎 HIGH-VALUE OCCASIONAL (41%)

**2,106 customers**     **Avg spend: $3,723**     **7.6 bookings**

Take fewer trips, but spend big when they do. Want premium experience.

## 💼 BUDGET OCCASIONAL (50%)

**2,569 customers**     **Avg spend: $1,794**     **3.8 bookings**

Our largest segment. Book regularly, value-conscious, want good deals.

## 👩‍💻🛍️ WINDOW SHOPPERS (9%)

**474 customers**     **Avg spend: $488**     **0.6 bookings**

Browse extensively but rarely book. Need incentives to convert.

# The Right Reward for the Right Customer

**Personalized Rewards Strategy**

## 💎 HIGH-VALUE OCCASIONAL

🏨 Free hotel night with flight

💰 Exclusive discounts

✓ No cancellation fees

Goal: Enhance their premium experience

## 💼 BUDGET OCCASIONAL

🧳 Free checked bag

🍽️ Free hotel meal

🤝 Exclusive member discounts

Goal: Add value to every trip

## 👩‍💻🛍️ WINDOW SHOPPERS (9%)

📖3️⃣ Book 3 get 20% off

📖🎁 First booking bonus

📣⏰ Limited time offers

Goal: Convert browsers to bookers

**5,149 customers eligible -** Each receive rewards tailored to their travel style.

# The Business Impact

**Projected Results (12 Months)**

**Revenue Growth**

- Additional bookings from retained customers: $487K
- Increased spending from engaged customers: $731K
- Customers saved from churning: $233K
- **Total Revenue Impact: $1.5M**

**Investment Needed**

- Reward costs: $650K
- Implementation: $210K
- **Total Investment: $860K**

**Conservative ROI: 56%**

**Optimistic ROI: 123%**

**Customer Behavior Changes**

- Booking frequency: +15% average increase
- Customer lifetime value: +20% improvement
- **Customer satisfaction: Expected jump from 7.2 to 8.5/10**

## Investment vs Projected Revenue Impact (12 Months)

Conservative ROI: 56%
Optimistic ROI: 123%

$2.08M

$1.45M

$0.93M

Amount ($ Millions)

Investment Required | Conservative Revenue | Optimistic Revenue

# Smart Rollout : 3-Phase Approach

## 📍 Phase 1: Pilot (Months 1 -2)

**Start small:** Launch with Budget Travelers only (our most engaged segment)

**Validate:** Test enrollment and redemption rates

**Learn:** Adjust before scaling

## 📈 Phase 2: Scale (Months 3 - 4)

**Expand:** Roll out to all 5,149 customers

**Monitor:** Track redemption patterns

**Support:** Launch conversion campaign for Window Shoppers

## 🔧 Phase 3: Optimize (Months 5 - 12)

**Refine:** A/B test reward combinations

**Resegment:** quarterly customer analysis

**Predict:** Add churn prevention models

**Key Success Factor:** Quarterly resegmentation is critical. Customer behaviour changes, and our strategy must adapt.

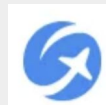# Recommendation: Move Forward

## Why Now?

➔ We have **actionable customer insights** ready to deploy
➔ Conservative projections show **69% ROI** in year one
➔ Phased approach **minimizes risk** while maximizing learning
➔ Our competitors are already personalizing - we need to keep pace

## Immediate Next Steps

➔ Approve Phase 1 pilot budget: **$215K**
➔ Form cross-functional implementation team
➔ Begin technical setup for rewards platform
➔ Launch pilot in **30 days**

> **The opportunity is clear: personalized rewards = more bookings**

# Questions?

# THANK YOU