TravelTide Rewards Program 2023
Data-Driven Segmentation and Retention Strategy

Objective
TravelTide is developing a rewards program to strengthen customer retention. Elena's perk proposals provided a strong foundation. This analysis tested their data alignment, segmented the customer base, and translated results into segment-specific strategies.

Approach
- Data: ~5M sessions, 5,782 active users (Jan–Jul 2023).
- Methodology: Feature engineering (booking rate, discount use, trip length, ancillary spend), segment scoring, and assignment rules.
- Validation: Cross-check with booking behavior; benchmark against Elena's proposals.

Key Findings
- **Business Travelers** (22%): stable, high-value core – retention solid, perks must fit time-sensitive needs.

- **Families, Leisure Explorers, Bargain Seekers** (~39%): above-average value – prime retention targets.

- **Frequent Flyers** (7%): book often, spend less – loyalty and cross-sell needed.

- **Young/Fresh Explorers** (~23%): high spend, low conversion – last-minute deals and welcome vouchers can unlock growth.

- **Window Shoppers** (~8%): non-bookers – activatable via wishlists and price alerts.

Recommendations
- **Secure the Core:** Keep validated perks (bags, discounts) but apply segment-specifically; reposition perks for Business Travelers (e.g., Priority Boarding vs. cancellation flexibility).

- **Unlock Growth**: Activate non-bookers through Wishlist & Alerts; upsell Frequent Flyers with loyalty and bundles; convert Explorers with Welcome Vouchers and youth-oriented Last-minute Deals; broaden "Free Hotel Night" into scalable seasonal promotions.

Next Steps
- Run A/B tests by segment; refine features and weights; explore sub-segments.
- Track KPIs (retention, frequency, CTR) via dashboards.
- Integrate customer feedback loops.
- Ensure scalability and data compliance.

Limitations
Results stem from 5,782 users and segment definitions shaped by business assumptions. Testing is essential to confirm generalizability.

Conclusion
Elena's ideas were a strong start. By tailoring them to distinct segments, TravelTide can shift from generic rewards to a data-driven program that secures the core, activates untapped groups, and drives incremental growth.