TravelTide Customer Retention Strategy Project Summary

Objective:

Improve customer retention for TravelTide by designing a personalized rewards program based on user behaviour and demographics.

Approach:

1. Data Engineering & Feature Creation:

- Processed 5M+ records and created a final dataset of ~6,000 users.
- Features included: distance travelled, trips per session, hotel/flight spend, engagement metrics

2. Key Insights:

- Users spend more on hotels than flights → prioritize hotel-based perks.
- Higher travel distances are common among high-value segments.
- Longer session times reduce trip frequency and clicks → suggest booking UX improvements.
- NYC is the top revenue city → consider premium offerings expansion.
- High proportion of users have children → added perks like free luggage for families.

3. Customer Segmentation:

- Used a composite scoring model (behaviour + demographics) with weighted variables.
- Created segments:
  - ➢ Beyond Borders – High spenders, frequent family travellers
  - ➢ Taste and Travel – Moderate, consistent users
  - ➢ Deal Voyage – Price conscious occasional users
  - ➢ Pack and Ride Deal – Next high usage among family travellers
  - ➢ 10% More Reason to Travel – Spend less but have high growth potential

4. Personalized Reward Strategy:

Introduced tailored perks based on segment behaviour:

- Beyond Borders: Discounted child fares or 25% off hotels
- Taste and Travel: Interest-free payments or free hotel meals
- Deal Voyage: One free hotel night or discounted travel policies
- Pack and Ride Deal (new): Free luggage or 25% off for city transport
- 10% More Reason to Travel (new): 10% off next hotel or rental car booking

5. Recommendations:

- Enhance hotel-related rewards based on spending patterns
- Optimize site UX to reduce session time friction
- Use machine learning to predict perk responsiveness
- Implement A/B testing and retention funnel analysis
- Target high-revenue regions like NYC for service upgrades

Outcome:

A scalable, data-driven customer rewards strategy built on deep segmentation and personalization. Future enhancements include predictive modelling, location-based targeting, and real-time campaign optimization.