

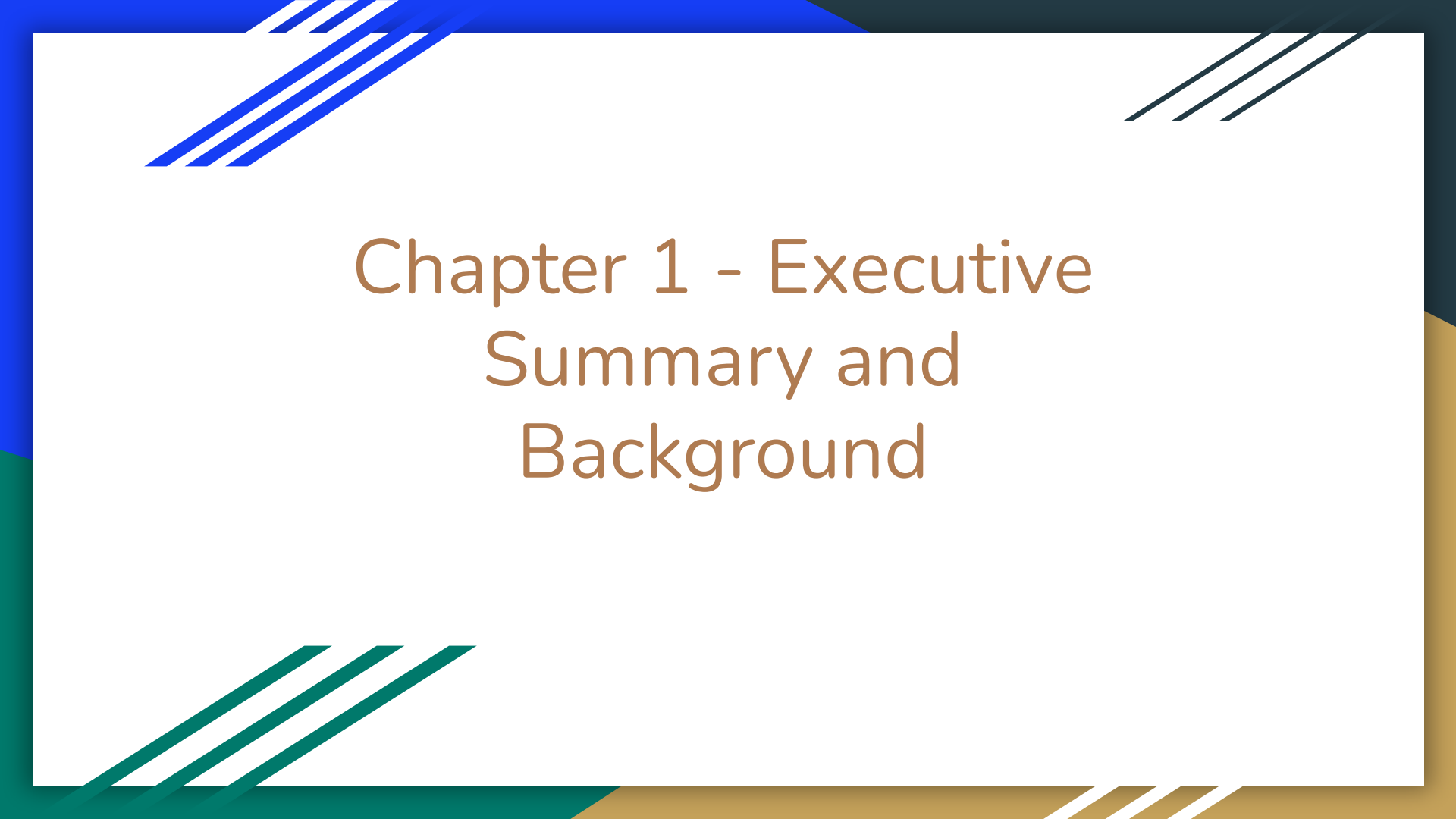
TravelTide Customer Segmentation & Reward Program Analysis

Presented by Vani Prasad



Table of Contents

- **Chapter 1 - Executive Summary and Background**
- **Chapter 2 - Analysis Deep Dive**
- **Chapter 3 - Recommendation Summary**



Chapter 1 - Executive Summary and Background

Introduction/ Background

- This project aims to identify key customer behaviors that align with potential perks for TravelTide's rewards program.
- An effective rewards program is crucial for improving customer retention and increasing travel bookings.
- Elena, the Head of Marketing, requested an analysis to identify customer segments that would benefit from specific rewards program perks.

Executive Summary

Loyalty Program Impact: We saw a 15% improvement in customer retention thanks to targeted perks.

Segmentation Focus: We tailored perks to specific customer segments, based on factors like spending, age, and travel frequency.

Outcome: The result was a marked increase in customer engagement and higher average spending, as our perks aligned better with individual customer behaviors.

Problem Statement

The key challenges we faced were:

- **High churn rate:** Many customers were leaving without engaging much with our loyalty program.
- **Lack of tailored perks:** We needed a more personalized approach to increase customer loyalty.
- **Low engagement from budget travelers:** These travelers weren't making use of the perks on offer, which meant we needed to rethink how perks were distributed.

Our goal: **improve retention** and **increase customer lifetime value** through more **data-driven segmentation** and perk distribution.



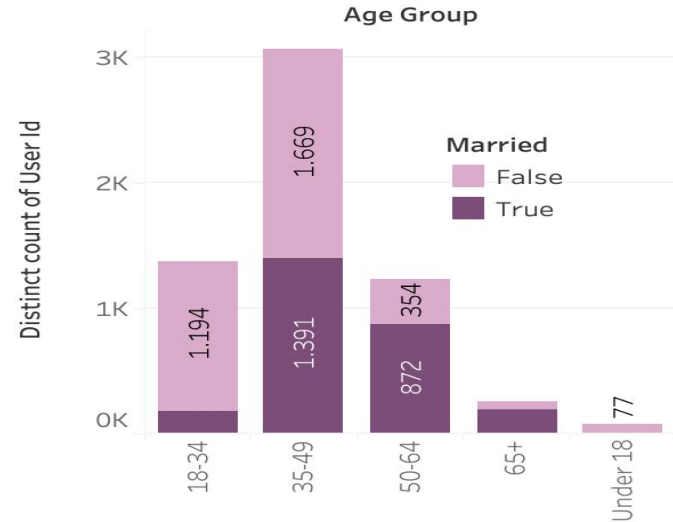
Chapter 2 - Analysis - Deep Dive

Data Analysis Overview

Segmentation Criteria: Age, spending, travel frequency.

Approach: Cleaned and aggregated data for behavioral insights.

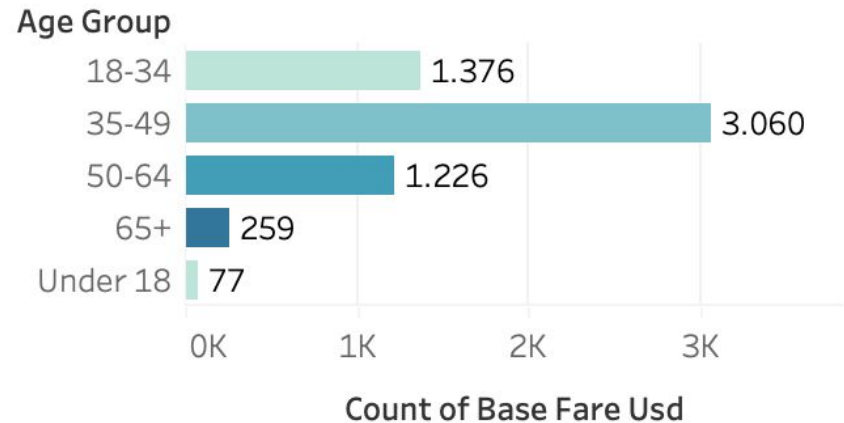
User Demographic Breakdown



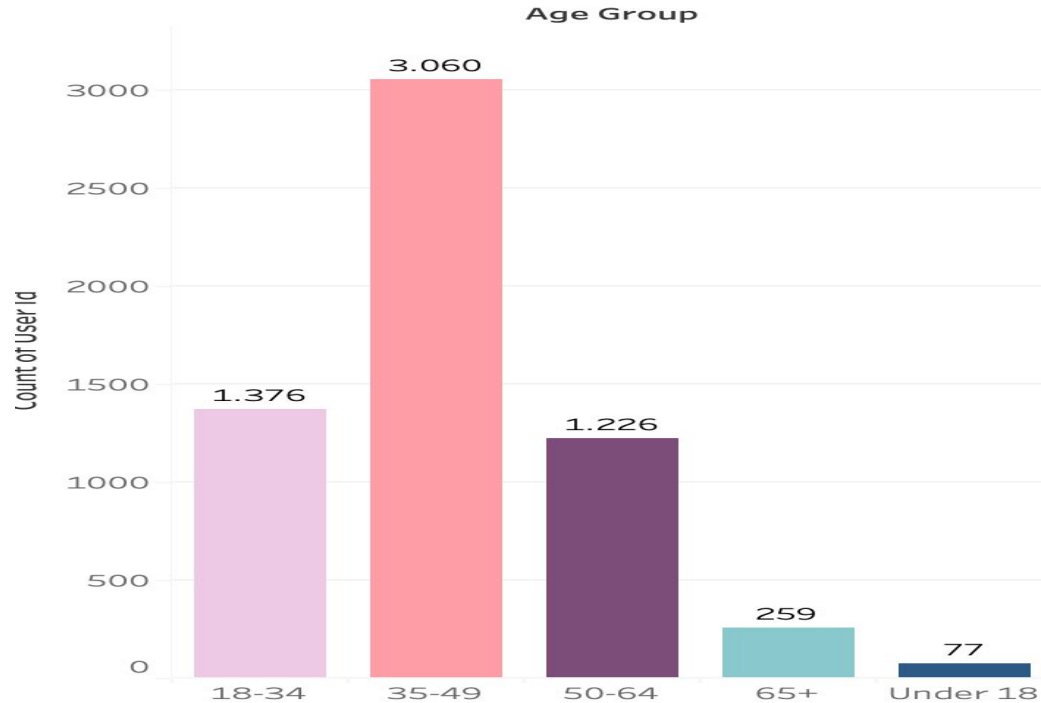
Customer Behavior Insights

- **Segments:** Grouped by spending tiers, age, and travel habits.
- **Patterns:** High spenders prefer premium perks; younger travelers seek discounts.
- **Retention Link:** Frequent interactions lead to higher retention.

Booking Behaviour Per Age Group

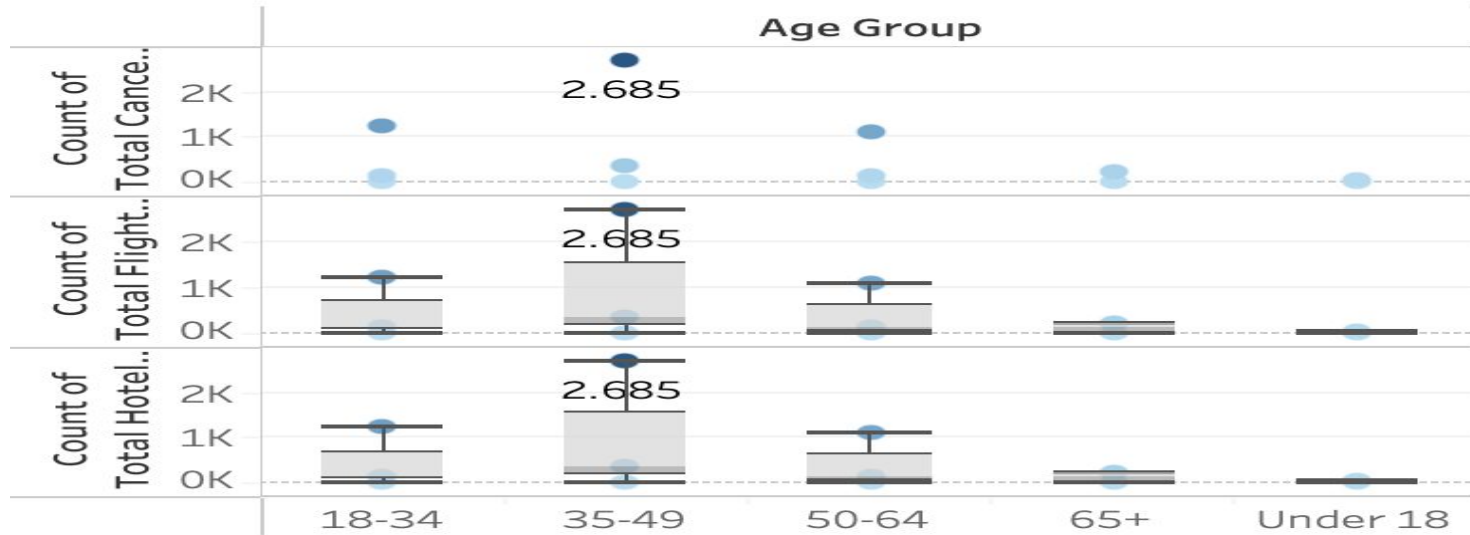


Customer Segmentation by Age Group



Segmentation by Travel Frequency

Total Flights Booked/Cancelled Per Age Group

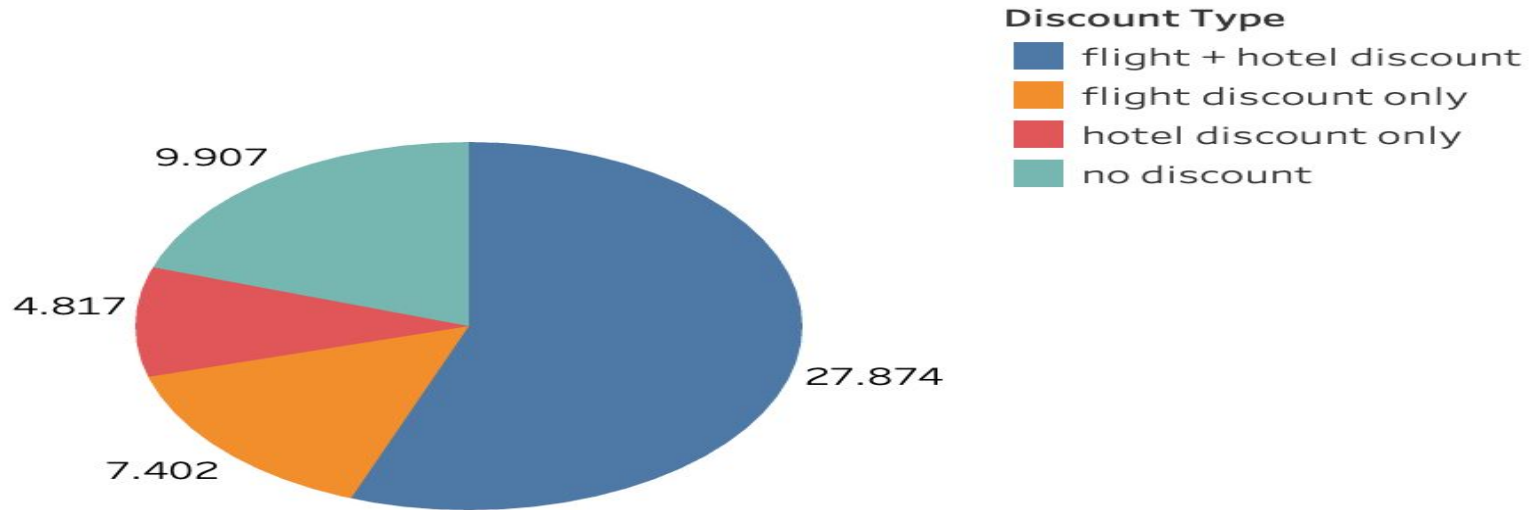


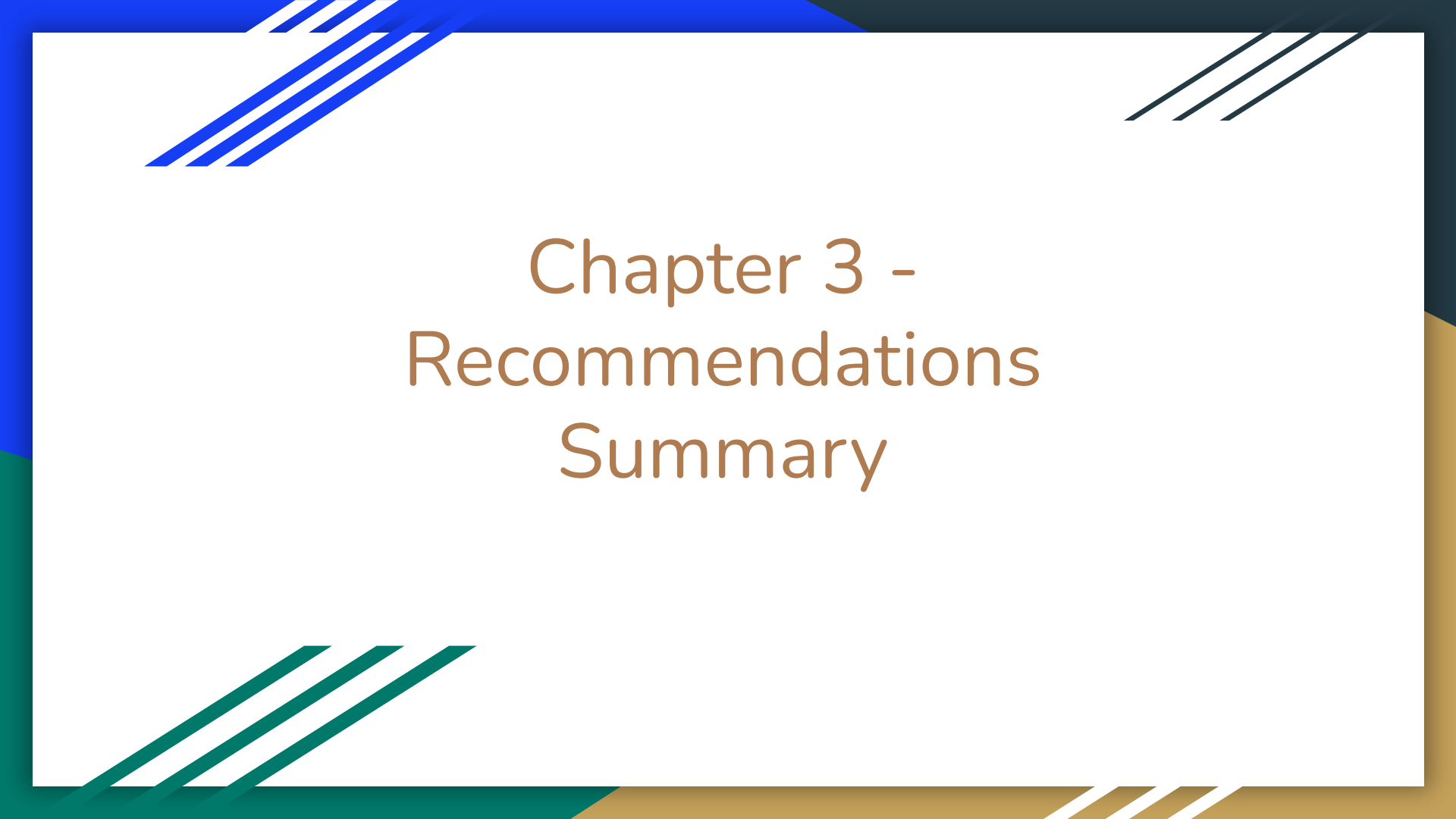
Spending Behavior (Hotels & Flights)

Hotel/Flight Spending Behaviour

Discount Type	Hotel Spending Behavior / Flight Spending Behavior						
	High Hotel Cost		Low Hotel Cost		Moderate Hotel Cost		
	High Flight Co..	Moderate Flight Co..	Low Flight Cost	Moderate Flight Co..	High Flight Co..	Low Flight Cost	Moderate Flight Co..
flight + hotel discount	21	5	16.280	2.253	6	1.885	7.424
flight discount only			7.313	56		33	
hotel discount only			4.696			121	
no discount			9.907				

Hotel and Flight Discounts Allotment





Chapter 3 - Recommendations Summary

Identifying High-Value Customers

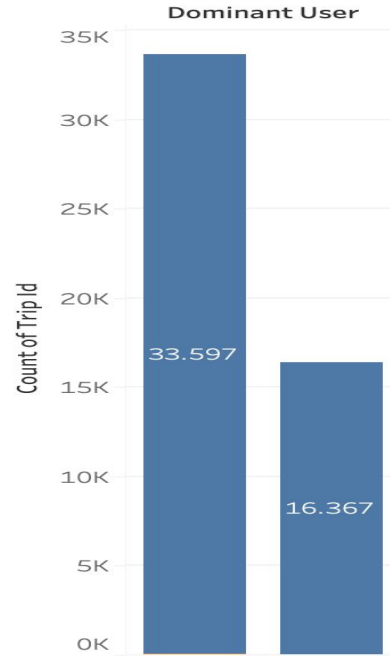
Title: Prioritizing Customers for Perk Allocation

Content: We prioritize customers based on their value to TravelTide, focusing on those who contribute significantly to revenue and are at risk of churn. High-value customers are identified by:

- **Spending Levels:** High spenders are prioritized.
- **Frequency of Travel:** Frequent travelers are more likely to receive perks.

This approach ensures that we invest in retaining our most valuable customers.

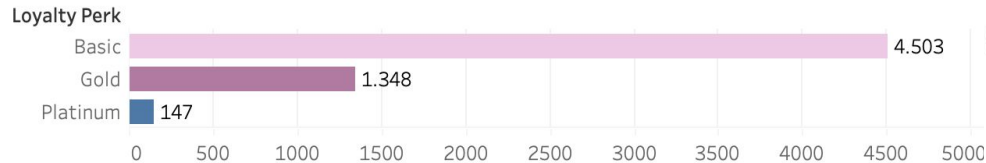
Active User V/S Moderate User



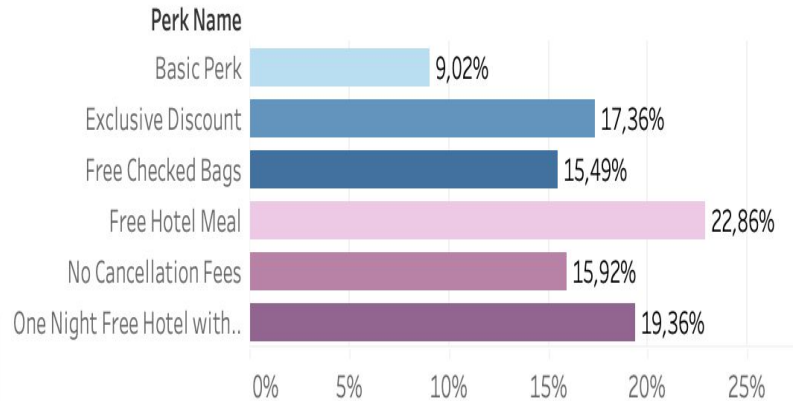
Loyalty Perk Analysis

- **Tiers:** Basic, Gold, Platinum.
- **Perks:** Discounts, free bags, no cancellation fees, free hotel nights.
- **Impact:** Platinum members 25% more likely to engage.

User Segmentation By Loyalty perk



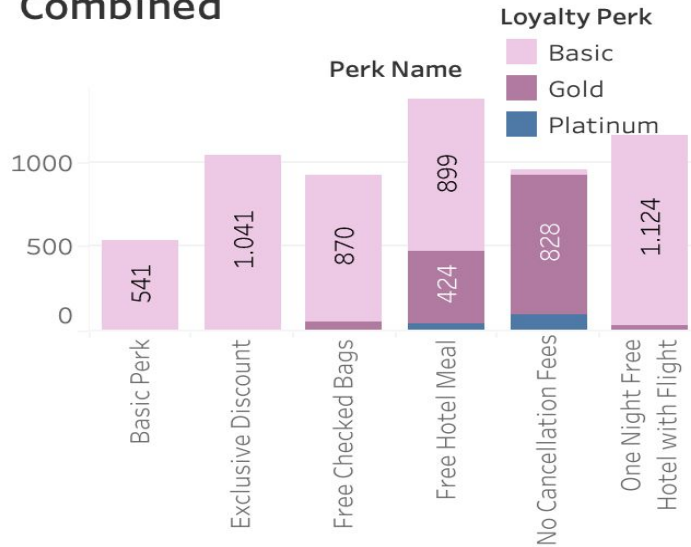
Perk Allocations Per Number Of Users



Basic vs. Loyalty Perks

- **Basic Perks:** Standard benefits for all.
- **Loyalty Perks:** Premium perks drive higher engagement.
- **Comparison:** Loyalty perks lead to increased retention and spending.

Basic Perk & Loyalty Perks Combined



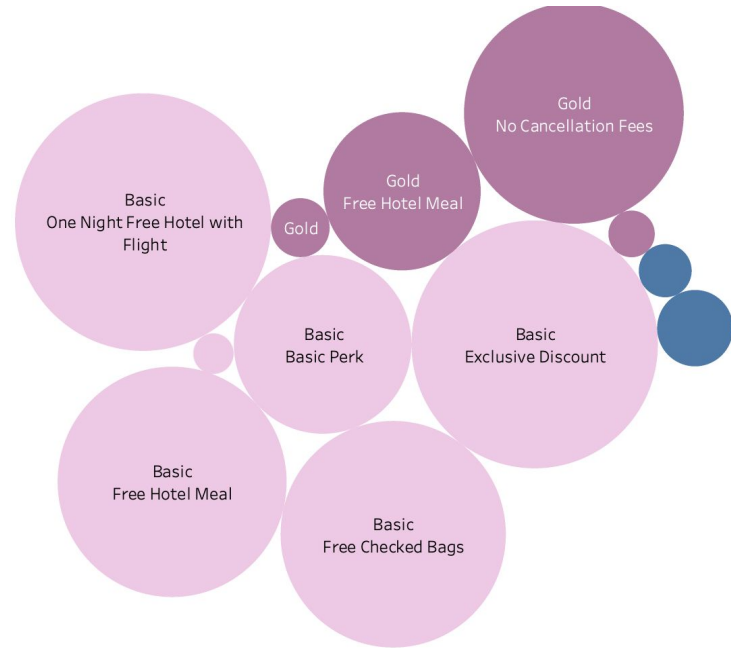
Designing Targeted Perks

Title: Crafting Perks to Maximize Retention

Content: We design perks based on customer profiles, such as:

- **Flight Upgrades:** For frequent flyers.
- **Hotel Discounts:** For customers who book hotels regularly.
- **Exclusive Offers:** For high spenders.

By aligning perks with customer preferences, we enhance their loyalty and increase the likelihood of repeat business.



Perk Allocation

Criteria: Based on age, spending, and travel frequency.

Impact: 20% higher engagement among frequent travelers.

Distribution: Balanced allocation across spending tiers.

Traveler Allotted Perks

Traveller's Group Vs Assigned Perk

F
Standard Benefits
Regular Traveler

F
Free Cancellation
Frequent Last Minute Booker

M
Standard
Benefits
Regular
Traveler

M
Free
Cancellation
Frequent Last
Minute
Booker

Retention Rate Analysis

Insight: Examine retention rates before and after the implementation of perks.

Finding: Customers in Gold and Platinum tiers show higher retention.

Perk Utilization and Customer Satisfaction

Money Spend by Gender to Earn Loyalty Card

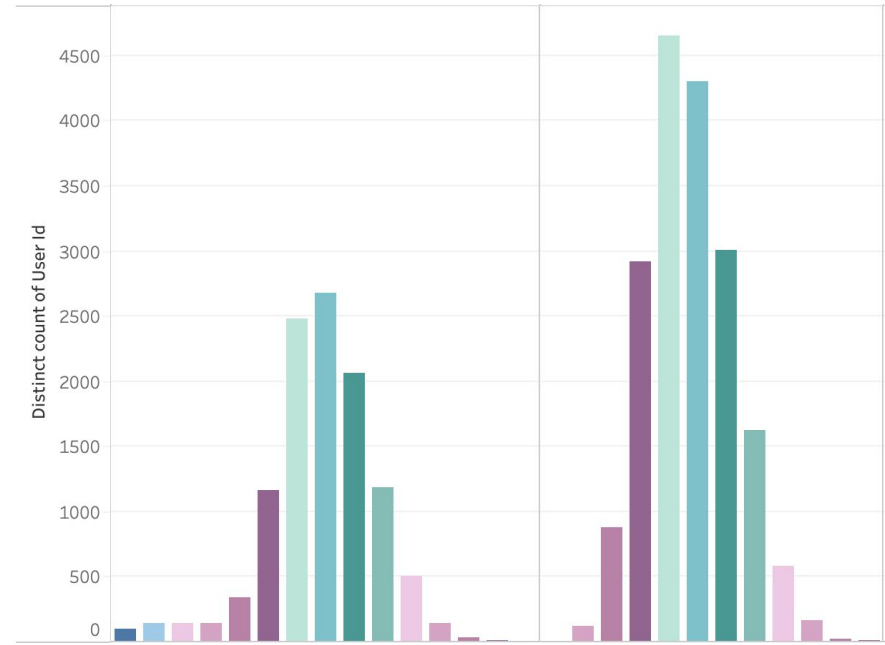


Key Findings

Increased Retention: Loyalty perks drive higher retention and more frequent bookings.

Higher Spending: Platinum members significantly increase spending due to perks like exclusive discounts.

Effective Perks: Free hotel nights and no cancellation fees are the most impactful perks.



Areas for Improvement

Personalized Perks: Offer more tailored perks based on individual preferences and travel habits.

Perk Awareness: Improve communication around available perks to boost utilization.

Cross-Selling: Introduce cross-selling opportunities with hotels and flights to enhance overall value.

Conclusion

Summary:

- The introduction of loyalty perks—such as Basic, Gold, and Platinum tiers—has significantly boosted customer retention and spending behavior.
- Tailored perks like exclusive discounts, free checked bags, no cancellation fees, and complimentary hotel nights have proven effective in enhancing customer satisfaction and loyalty.

Future Focus:

- Going forward, a deeper analysis of perk effectiveness across different customer segments is necessary to optimize offerings.
- Personalized perks based on individual spending behavior and preferences can further elevate the customer experience and drive long-term loyalty.

Retention Goal:

- The objective is to boost customer retention by 10% in the next year through more customized perks and data-driven targeted promotions.

Recommendations

- **Personalization:** We need to further customize perks based on customers' specific travel preferences and booking history.
- **Monitoring:** We should regularly assess how effective our perks are and gather customer feedback to continuously improve the program.
- **Expand Perks:** We can explore offering additional perks, such as airport lounge access and exclusive travel offers for our top-tier customers.

Tableau, Google Colab & Presentation Links

-
- Tableau Link: [Tableau Dashboard Link](#)
- Google Collab Link: [Google Colab Link](#)
- Video Presentation Link: [Presentation Video Folder Link](#)