Creating a Tailored Rewards Initiative: Combining Marketing Minds with Data-Backed Customer Segmentation

Introduction

TravelTide, a growing presence within the world of online travel, is poised to unveil a bespoke rewards initiative. This report outlines the cooperative venture spearheaded by the Marketing team under the leadership of Elena Tarrant and analytics works conducted by myself, aimed at conceiving a customer-focused and loyalty-centric program.

Segmentation Strategy

TravelTide places paramount importance on captivating its diverse customer spectrum by accentuating the most alluring benefit during the program enrollment phase. We employ a rigorous set of metrics for meticulous user segmentation, meticulously tailoring rewards to align with distinctive preferences and behaviours.

Methodology

We use 15 carefully chosen metrics from Elena's selected group of users. We make sure the data is fair and balanced by filtering outliers and standardising the values pre comparison. After that, we combine metrics for each perk to create overall rankings based on their importance. Then, we use these rankings to divide our users into different groups, allowing us to tailor perks specifically to what each group likes and does. Below are the perks accompanied by the specified metrics used for data segmentation.

Free Meal Perk
Our "Free Meal" benefit is versatile, catering to a wide range of users, including seniors aged 55 and over, frequent travellers with more than 2 trips, and families travelling with children, ensuring a safe and comfortable journey.

Free Bag Perk
The "Free Bag" benefit is customised to meet specific user needs, targeting long-distance travellers and those requiring extra baggage based on the number of checked bags versus booked seats, offering peace of mind for longer trips.

No Cancellation Fees

Our "No Cancellation Fees" benefit accommodates diverse user behaviours, providing flexibility for those with a history of cancellations, rewarding advance planners, and enticing idle browsers to book by eliminating cancellation fees.

Exclusive Discounts

The "Exclusive Discounts" benefit helps users save on flights, appealing to deal-seekers with flight discount proportions, engaging cost-conscious travellers by highlighting average savings per kilometre travelled.

1 Night Free Hotel

Our "1 Night Free Hotel Stay" benefit strategically attracts users by offering a free hotel night, appealing to savvy spenders with average hotel discounts and weekend explorers looking to cut trip expenses.

Key Findings
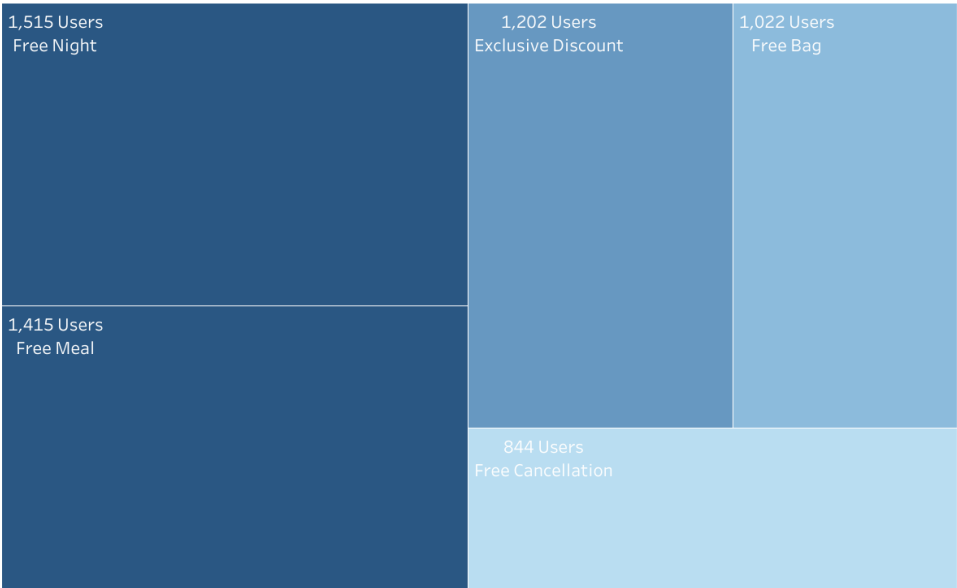
Strategic Registration Approach: Through the strategic promotion of the most alluring perk during the rewards program registration, TravelTide can efficiently boost user engagement and fortify sign-up rates.

Exact User Segmentation: Harnessing a diverse range of metrics, TravelTide can accurately categorise users based on their behaviours, preferences, and travel patterns. This allows for the tailoring of rewards that align with the distinct characteristics of each segment.

Tailored Engagement: By combining data-driven insights with a focus on specific perks, TravelTide can provide personalised interactions that encourage greater user participation and ongoing interactions with the rewards program.

Next Steps

Tailored Marketing Initiatives: Develop multiple marketing campaigns that spotlight specific users and the perk they find the most affiliation with. This approach ensures the relevance and effectiveness of TravelTides communications within their customer base.

Personalization Choices: Allow the customer to have some direct input into which perk they think matches their preferences the most. This is a personal touch that can boost the customer's respect for the brand and their satisfaction with the service.

Performance Tracking: We sought to establish a means to monitor customer engagement with the new scheme, with a keen eye on metrics such as booking frequency, quarterly total revenue, and customer retention levels. By diligently tracking this information, we enable ourselves to assess and adapt the reward schemes, ensuring their effectiveness for both users and the business.

Multiple Media Approach: Take advantage of the range of social media and modes of communication available. This gives a blanket approach in marketing ensuring the majority of our audience is made aware of the advantages of our rewards plan.

To conclude, our customer segmentation efforts have identified key perks for targeted marketing, personalised promotions and loyalty. Launching the rewards program with a vibrant marketing campaign can retain and attract users, setting a strong foundation for TravelTide's growth.

Links to Additional Resources

Tableau Workbook; For explanations and visualisations around the metrics we used to measure consumer behaviours.
https://public.tableau.com/views/TravelTideViz/UserDistributionbyPerkAssignment?:language=en-GB&:display_count=n&:origin=viz_share_link

Google Slide Presentation; The slides used during our presentation for future reference.
https://docs.google.com/presentation/d/1qRZYOipFhdq3IvZdhPHAoZ_udIy1M49RMZYVt5qiiPU/edit?usp=sharing

Video Presentation Link; A link to the video presentation of the report where I explain my thoughts and suggestions for the next step.
https://www.loom.com/share/4cd3136567224dce851e915323eb5b78?sid=b4ed1336-c16f-4468-91bf-4e693ad71fd8
Jupyter Notebook - K-Means segmentation approach, I opted out of using this and decide to stick with the SQL Ranked Sgementation. This is linked in the ZIP folder of the submission.