



Customer segmentation and Reward program

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14 February 2025

Background

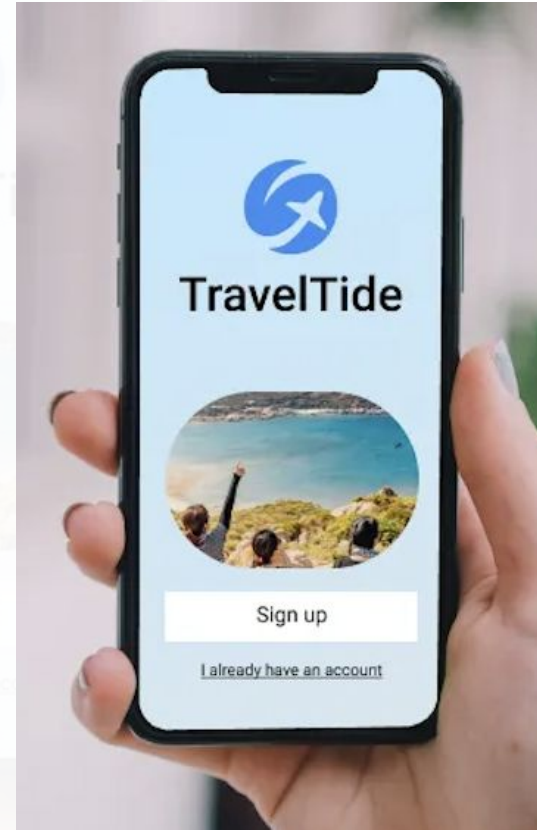
Travel Tide- Online booking platform

Largest travel inventory

Problem: Poor customer retention

Proposed solution: Reward program

- 1 night free hotel with flight
- Free hotel meal
- Free checked bag
- Exclusive discounts
- No cancellation fees





Broad aim and methodology

Segment customers according to their travel behaviour and assign one perk to each segment

Conditions:

Session after 04 January 2023

Users with more than 7 session

Methodology

Rule based approach to define customer segments



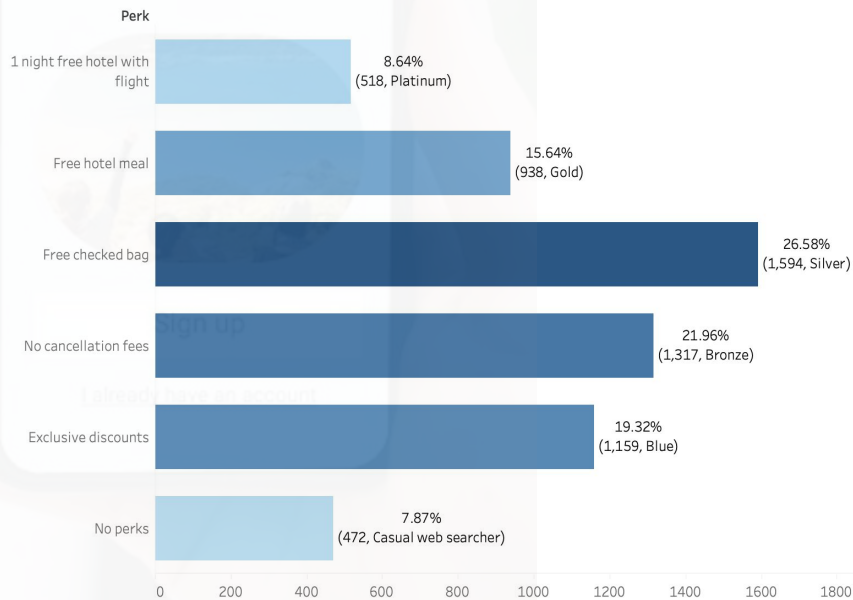
Key Findings

- Most valuable perk
- Most eligible perk

'1 night free hotel with flight'
'Free checked baggage'

Platinum class
Silver class

Number of users by perk



Key rules for segmentation

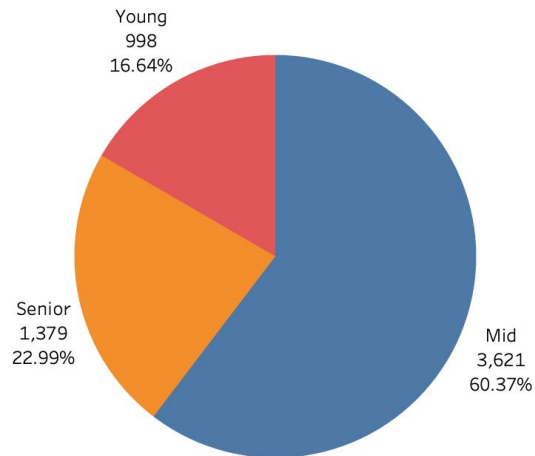
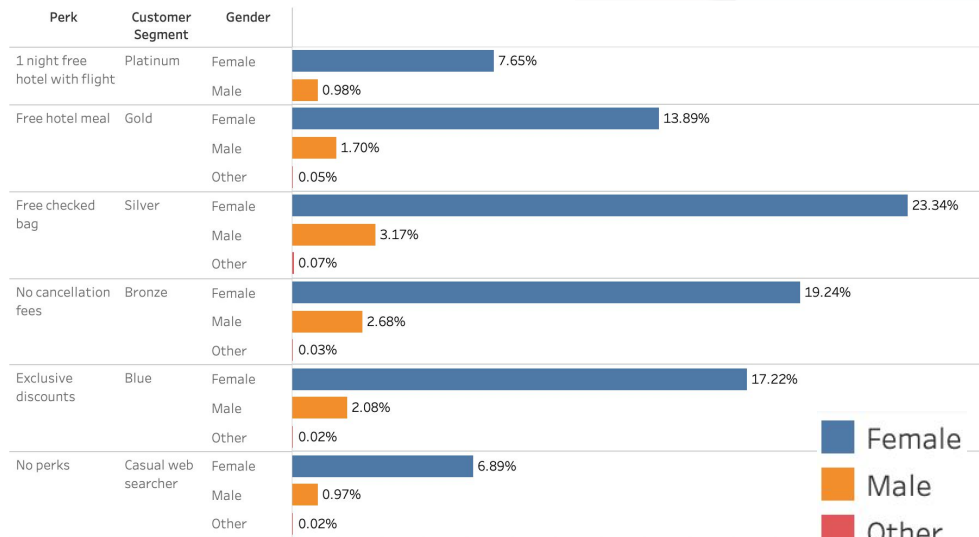
1 night free hotel with flight	High spending on flights and hotels with high travel frequency
Free hotel meal	Last-minute solo traveller with high travel frequency High and upper-mid spending with low travel frequency
Free checked bag	Long or medium term booking with high or medium travel frequency Anyone travelling with average >1 checked baggage
No cancellation fees	Long or medium term booking with mid or lower mid spending on flights or hotels High spend on flight and low on hotels and vice versa Last minute booking with medium travel frequency
Exclusive discounts	Discounted bookings , mid, lower-mid or low spend on hotels and flights Traveller with only hotel or flight bookings with low travel frequency Last minute traveller with low travel frequency
No perks	No booking history in either hotel or flight



Additional insights

Women traveller outnumbered men in all segments

Mid- age users account for 60% of all users





Recommendations

- It is recommended to validate the customer segmentation and perk assignment with other methods such as A/B testing.
- It is recommended to update the database with information from latest sessions.
- Introduce other methods for customer retention such as Points Based Rewards.
- Strategic planning to attract more men users.
- Strategic planning to attract more young traveller such as Buddy program etc.
- It is recommended to consider a customer feedback and review for further improvement.