



TravelTide

Customer Segmentation & Rewards Program

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Introduction

TravelTide launched in **April 2021**.

Seen steady growth thanks to its top-tier data aggregation and search technology

As at end July 2023, TravelTide consisted of:

- 1,020,926 Users
- 5,408,063 Unique Sessions
- 2,245,175 Unique Trip Ids (Incl. cancellations)

“TravelTide is quickly establishing itself as a rising star in the online travel market.”

“Launching in April 2021, right after the height of the COVID-19 pandemic, it has managed to grow steadily.”

“This growth is largely driven by its cutting-edge data aggregation and search technology, which sets it apart from competitors.”

“As of the end of July 2023, the platform has amassed over one million users, more than five million unique sessions, and over two million unique trips booked.”



TravelTide

Unfortunately still has **lower-than-hoped-for** customer retention.

- **CEO Kevin Talanick** focused on adding value for existing customers through a thoughtful marketing strategy.
- **Elena Tarrant brought in as Head of Marketing**, her mission is to design and launch a personalized rewards program
- Our role is **identify active users** and find good **rewards perks** for each

“Despite its impressive growth, TravelTide still faces challenges with customer retention, which remains below expectations.”

“To address this, CEO Kevin Talanick has prioritized adding value for existing customers through a targeted and thoughtful marketing strategy.”

“As part of this effort, Elena Tarrant was brought on as Head of Marketing, with a clear mission to design and launch a personalized rewards program.”

“Our role in this initiative is to identify the most active users and recommend effective rewards and perks tailored to each segment, helping to boost engagement and loyalty.”



TravelTide



Even though user **signups increased** every month (steep increase between March 2023 and April 2023),

We still see a **decrease in bookings** in 2023, with the steepest decrease between March and April 2023!



“Looking at these two charts, we can see a clear trend.”

“Signups have been steadily increasing since 2021, with a particularly sharp rise in March and April of 2023.”

“However, despite this growth in new users, bookings in 2023 have actually been declining.”

“What’s especially concerning is that the biggest drop in bookings coincides with the period of the highest signup growth.”

“This suggests that while we’re attracting more users, many aren’t converting into actual bookings.”

“So, a key challenge moving forward is figuring out how to encourage our customers to move from browsing to booking.”



Processes

- Only included sessions from **04th Jan 2023**, where user had **more than 7** sessions
- Lead to **5998** unique users, **16 099** unique trips and **47998** unique sessions
- **Removed cancelled trips** and their original bookings

User Stats				
Age Groups	Has Children...	Total Sessions	Total Trips	Total Users
18-30	No	4,168	1,035	525
	Yes	1,717	370	219
20 and Under	No	2,220	319	281
	Yes	888	117	112
31-40	No	9,269	3,724	1,154
	Yes	4,349	1,451	544
41-50	No	10,477	4,278	1,310
	Yes	5,771	2,042	720
51-60	No	3,958	1,497	491
	Yes	2,692	892	332
61 and Over	No	2,234	320	279
	Yes	255	54	31
Grand Total		47,998	16,099	5,998

“For this analysis, we focused only on sessions from January 4th, 2023 onwards.”

“We included users who had more than seven sessions during this period to capture more engaged customers.”

“This filtering resulted in a dataset of 5,998 unique users, 16,099 unique trips, and 47,998 unique sessions.”

“We also removed any cancelled trips and their original bookings to ensure we were analysing confirmed travel activity.”



Decision Tree

- Segmented users into groups to help **create an individualised perk** for each segment.
- After analysis of data, split users into **7 groups**
 - Family Explorer
 - Youthful Adventurer
 - Mid-life Saver
 - Mid-Life Spender
 - Golden Explorer
 - Last-Minute Leaver
 - Wanderlust Watcher



Customer Segmentation



“As requested, we segmented users into distinct groups based on their behaviors and characteristics.”

“After analyzing the data, we identified seven key segments:”

“Family Explorer, Youthful Adventurer, Mid-life Saver, Mid-Life Spender, Golden Explorer, Last-Minute Leaver, and Wanderlust Watcher.”

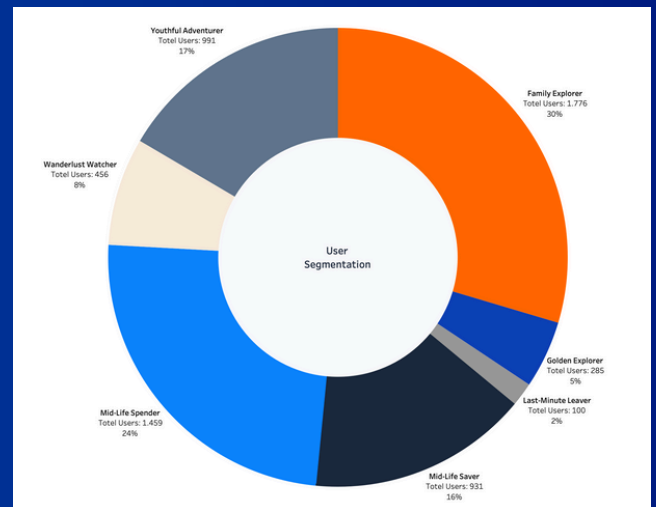
“This segmentation allows us to create individualized perks that resonate with each group’s unique travel patterns and preferences.”



Customer Segmentation

- Explored the customers characteristics to find some meaningful groups
- 3 main fields used:
 - Customer Demographics
 - Trip behaviour
 - Payment behaviour

Segmentation breakdown					
Segmentation	£	Total Revenue £	Avg Flight Discount	Total Cancellations	Avg Session Duration Seconds
Family Explorer		5,772,568	6%	169	924
Mid-Life Spender		5,086,293	0%	152	981
Mid-Life Saver		3,891,469	17%	70	1,028
Youthful Adventurer		2,929,778	5%	92	900
Golden Explorer		777,823	4%	26	857
Wanderlust Watcher		0	0%	0	678
Last-Minute Leaver		0	0%	101	539



“We explored customer characteristics in depth to identify meaningful and actionable user groups.”

“To do this, we focused on three main areas of data:”

“First, customer demographics such as age and family status.”

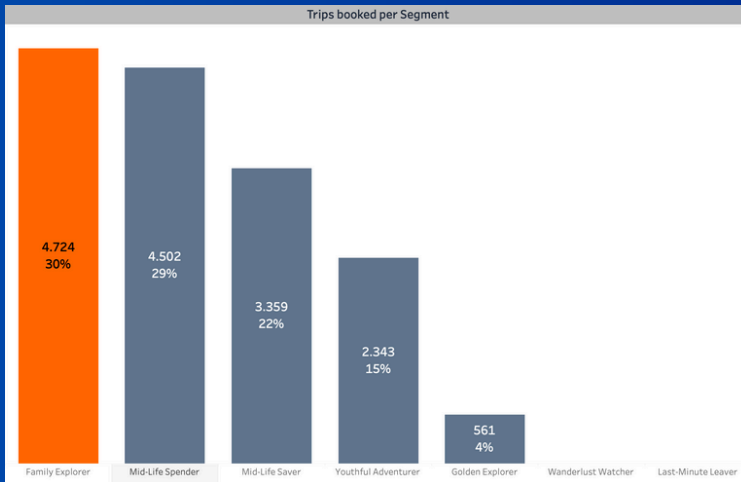
“Second, trip behavior, including booking patterns and cancellations.”

“And third, payment behavior, which helped us understand how users respond to discounts and offers.”

“Together, these fields gave us a clear picture to segment users effectively.”



Family Explorer



- Grouped by
 - Has children = True
 - Has Trips = True
- Total Users = 1776
- Trip Bookings = 4724
- Make up **30% of users** – largest segment
- Books the **most trips overall**
- Seats booked and bags checked: 1–3 → not always traveling as a full family
- Average total **revenue: \$3,250** → **ranks 3rd** among segments
- **Proposed Perk: Kids stay free on flight + hotel combo**
- → *Encourages full-family bookings*

“This segment makes up 30% of our user base – it’s the largest group we have.”

“They also book the most trips overall, which shows high engagement.”

“However, we noticed something interesting in the data – seats and bags range from 1 to 3 per trip.”

→ “That tells us they’re not always traveling as a full family, even though we know they all have kids.”

“Despite booking more trips, they rank third in terms of average revenue per user – \$3,250.”

“Why is that? We think cost might be preventing them from booking full family vacations.”

“So we’re proposing a targeted perk: ‘Kids stay free’ when booking a flight and hotel combo.”

→ “This could be the push they need to finally take that full family trip they’ve been holding off on.”



Youthful Adventurer



- Grouped By -
 - Has children = False
 - Has Trips = True
 - Younger than 35
- 991 users,
- 2,343 trip bookings
- **Lower trip volume & total revenue**
- **Average baggage** use – mid-range
- **Proposed Perk: Free checked bag on next flight**
→ A simple incentive to boost engagement

“This segment includes users under 35 who don’t have children — 991 in total.”

“They’ve booked 2,343 trips with 92 cancellations, which puts them on the lower end for both booking activity and total revenue.”

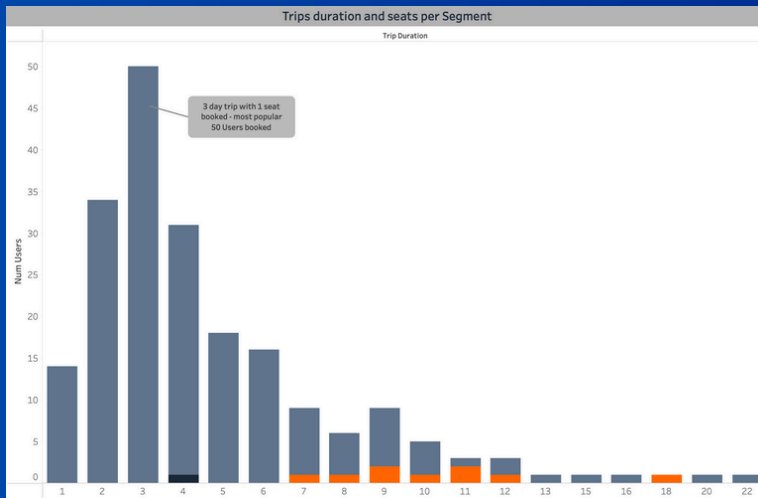
“Their baggage use is average — not particularly high or low.”

“We haven’t identified any standout booking behaviors in this group.”

“That’s why we suggest a simple, universal perk: a free checked bag for their next flight.”
→ “It’s a low-friction, cost-effective way to prompt re-engagement and nudge them toward their next booking.”



Mid-Life Spender



- Grouped By:
 - Ages 35–55
 - Has Children = False
 - No previous flight discounts
- 1,459 users
- 4,502 trips
- **High: trip volume, trip-to-user ratio, overall revenue**
- **Short trips, often solo** → likely business travelers
- **Proposed Perk: Free meal with next hotel booking**
→ Small reward, high perceived value

“This segment consists of users aged 35 to 55 who don’t have children and haven’t received flight discounts before.”

“It’s a strong-performing group: 1,459 users with 4,502 trip bookings and only 152 cancellations.”

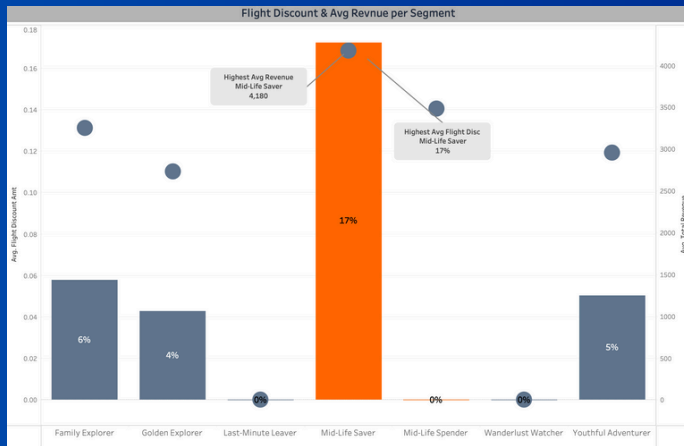
“They rank high in trip volume, trip-to-user ratio, and total revenue — all signs of consistent, valuable customers.”

“They typically book single-seat trips with short durations, which suggests many could be business travelers.”

“To recognize their loyalty, we propose offering a free meal with their next hotel booking.”
→ “It’s a small but meaningful perk — especially appreciated by business travelers who are frequently on the go.”



Mid-Life Saver



- Grouped By:
 - Ages 35–55
 - Has children = False
 - Has received flight discounts previously
- 931 users
- 3,359 trips
- Received 5%–45% **flight discounts** previously (**avg: 17%**)
- **Highest avg. discount** rate among all segments and **Avg Total revenue**
- **Proposed Perk: 15% off next Flight + Hotel combo**
→ Appeals to deal-seekers, incentivizes next trip

“This group includes users aged 35 to 55 without children, who have received discounts on some of their past flight bookings.”

“There are 931 users in this segment, with 3,359 total bookings and only 70 cancellations.”

“They’ve previously received discounts ranging from 5% to 45%, with an average of 17% — the highest discount rate across all segments, as well as the highest avg total revenue of \$4180”

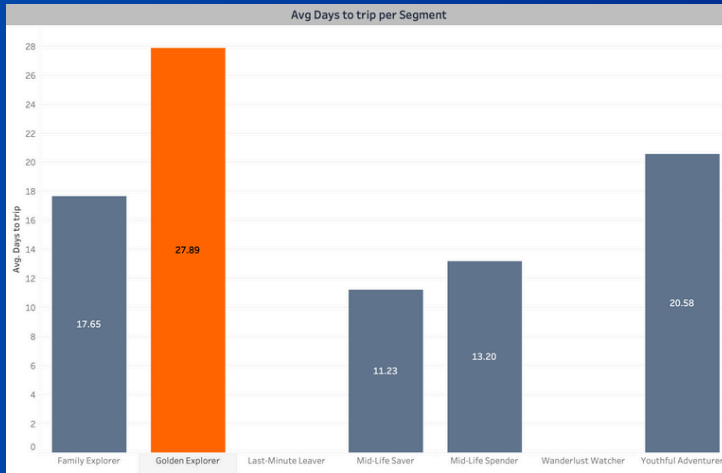
“That tells us they respond well to promotions and appreciate getting value from their bookings.”

“We suggest offering them a 15% discount on their next flight and hotel combo.”

→ “It’s aligned with their behavior and could be just the incentive they need to carve out time for their next trip.”



Golden Explorer



- Grouped By:

- Age 55+
- Has Children = False

- 285 users

- 561 trips

- Smallest segment:** 3.6% of trips, lowest avg. revenue (\$2,729)

- Seats/rooms booked: 1-4** → may travel with friends/family

- Plan furthest ahead** – longest avg. lead time

- Proposed Perk: 10% off when booking 30+ days in advance**

→ Rewards early planners, encourages group travel

“Golden Explorers are users over 55 with no children — a small group at just 285 users.”

“They’ve booked 561 trips with 26 cancellations, making up only 3.6% of total trips and the lowest average revenue at \$2,729.”

“Despite not having kids, their bookings often include up to four seats or rooms — which suggests they’re traveling with friends or extended family.”

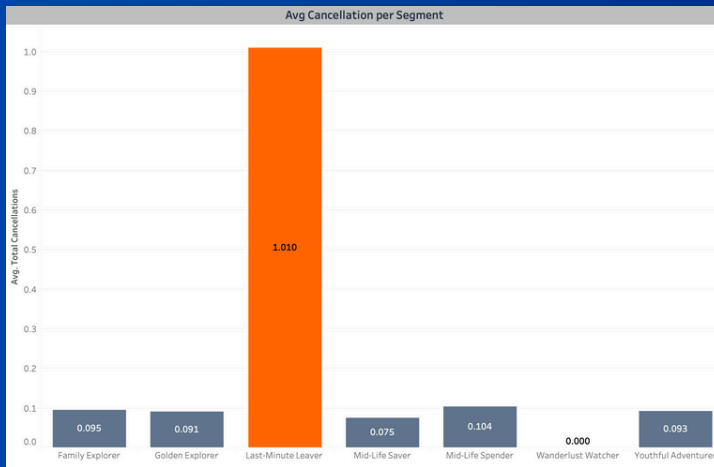
“They also show the longest average gap between booking and departure, indicating they like to plan ahead.”

“Given their travel habits, we propose a 10% discount for trips booked 30+ days in advance.”

→ “It aligns with their forward-thinking behavior and may encourage even more group or extended travel.”



Last Minute Leaver



- Grouped By:
 - No completed trips
 - only cancellations
- 100 users
- 0 trips
- 100% cancellation rate
- **High engagement:** Avg. click rate = 72, session time = 9 mins
- **Proposed Perk: Free cancellation on next booking**
→ Builds trust, supports unpredictable schedules

“This unique segment includes 100 users who haven’t completed any trips — every booking they've made was cancelled.”

“Some of these cancellations are for trips booked before 2023.”

“Despite no completed trips, they’re highly engaged: their average click rate is 72, and they spend about 9 minutes per session.”

“This suggests they’re interested — they explore, they plan — but something keeps them from following through.”

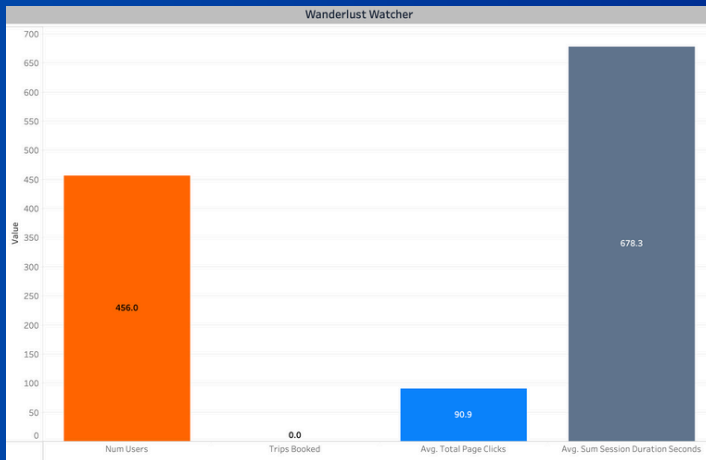
“Our hypothesis is that these users may have unpredictable lifestyles or commitments that make locking in travel plans difficult.”

“That’s why we recommend offering free cancellation on their next booking.”

→ “This gives them peace of mind and may help convert browsing into actual bookings.”



Wanderlust Watcher



- Grouped By:
 - No trips
 - no cancellations
- 456 users
- 0 trips
- 42 signed up in 2022, 414 in 2023
- **High engagement:** Avg. click rate = 91, session time = 11.5 mins
- **Proposed Perk: Free drink on next flight**
→ Low-cost incentive to spark first booking

“Wanderlust Watchers are users who haven’t booked or cancelled any trips in 2023.”

“Out of 456 users, 42 signed up in 2022, and the other 414 joined in 2023.”

“Of the 2022 signed up users, 22 had booked and taken trips before 2023, but since our data only captures current-year activity, they appear inactive now.”

“Importantly, many users in this segment are highly engaged – with an average click rate of 91 and session duration of 11.5 minutes.”

“That means they’re browsing actively, but haven’t committed to a booking.”

“We propose a small but thoughtful perk: a free drink on their first flight.”

→ “It’s a light, low-cost incentive that helps convert intent into action – the perfect nudge for a first-time traveler.”



Final Recommendations

- **Segment-targeted perks drive engagement** without overcommitting on discounts.
- **Test small perks** (e.g. free drink, free bag) on lower-activity segments to **convert browsing into bookings**.
- Leverage **discount sensitivity** for deal-driven users (e.g. Mid-Life Savers with discount history).
- Support **flexible planning** with perks like free cancellation or early-booking discounts.
- **Reward loyalty** in high-value or frequent traveler segments.
- Monitor conversion impact to **refine and optimize perk strategies**.
- **Final thoughts:**
 - Expand dataset to at least **12 months** and focus on users with **5+ sessions**
→ Enables more accurate segmentation and insight into consistent user behavior
 - Consider asking new users at **signup which segment they identify with**
→ Helps validate segmentation and tailor offers from the start

Thank you so much for your time and for considering these insights.

“Our proposed perks align closely with observed user behaviors, encouraging engagement without excessive discounting.”

“We’ve recommended low-risk perks for less active users and targeted discounts for deal-sensitive segments, maximizing effectiveness.”

“Loyalty rewards for frequent or high-value travelers help sustain long-term customer relationships.”

“Matching perks to travel planning habits, like early booking discounts for Golden Explorers, reinforces positive behavior.”

“Tracking conversion and engagement after offering perks is essential to continuously improve our approach.”

“To strengthen our insights, I recommend expanding the dataset to cover at least 12 months and focusing on users with five or more sessions.”

→ “This will help filter out noise and identify truly consistent behavior patterns.”**

“Finally, we might consider asking new users during signup which segment they feel best fits them.”

→ “This direct input can help validate our segmentation, improve personalization, and ensure the

right perks reach the right customers from day one.”

“Thank you so much for your time and for considering these insights. I look forward to seeing how we can put these ideas into action together.”