Customer Segmentation

TravelTide

Identify loyalty programme customer segments and recommend relevant perks by finding patterns and insights from our customer data

Data overview

- **App / website activities** inc. page clicks, bookings and cancellations

- **Customer details** inc. birthdate, home city, home airport and family status

- **Flight details** inc. origin airport, destination, checked baggage and base fare

- **Hotel details** inc. hotel name, length of stay, number of rooms

Analysis process

- **Filtering** - only customers deemed loyal and recent

- **Aggregation** - calculating averages and totals per customer

- **Analysis** - understanding data trends and patterns

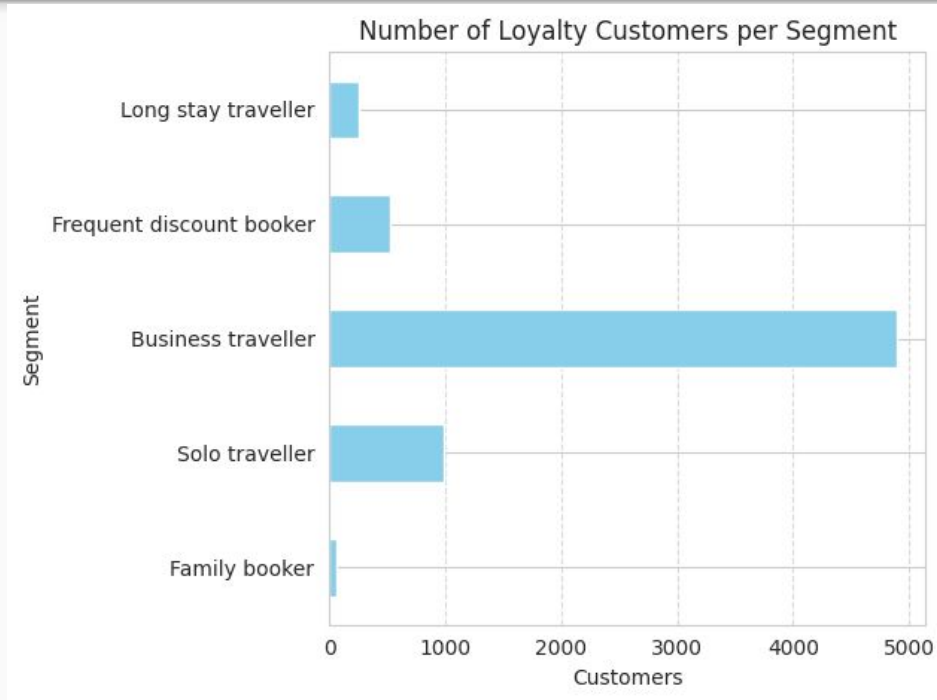- **Clustering** - finding and validating groups

Loyalty customers

Who are they?

- App users with **more than 7 sessions since Jan 2023**
- 6,730 customers
- Aged 18-89
- Strong female skew
- Likely to be married
- Likely to have children
- Avg 1.2 bookings per month

Customer segments

5 clearly defined segments

Number of Loyalty Customers per Segment

1) Long stay traveller

Who are they?

- Aged 25-52
- 11-14 nights per stay
- Likely to travel with friend or partner
- Books infrequently
- Books multiple hotels per flight

Recommended perk = **one night free hotel with flight**

Long stay travellers book more nights in a hotel than any other group

2) Business traveller

Who are they?

- Aged 38-50
- 1-2 bookings per month
- 2-4 nights per booking
- Likely to spend more on a hotel room
- Unlikely to cancel

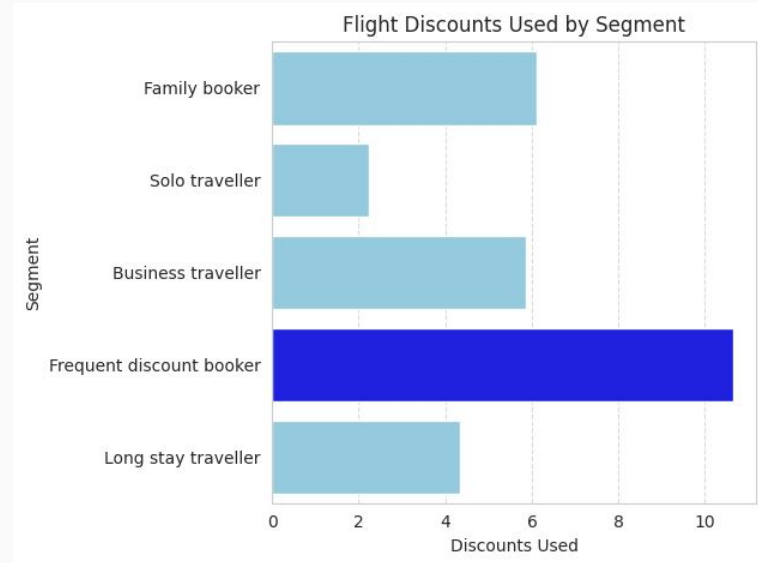Recommended perk = **free hotel meal**

Business travellers are more likely to have less time for eating out

3) Frequent, discount booker

Who are they?

- Aged 38-50
- Highly sensitive to discounts
- Visit more pages in the app than others
- Most frequent booker
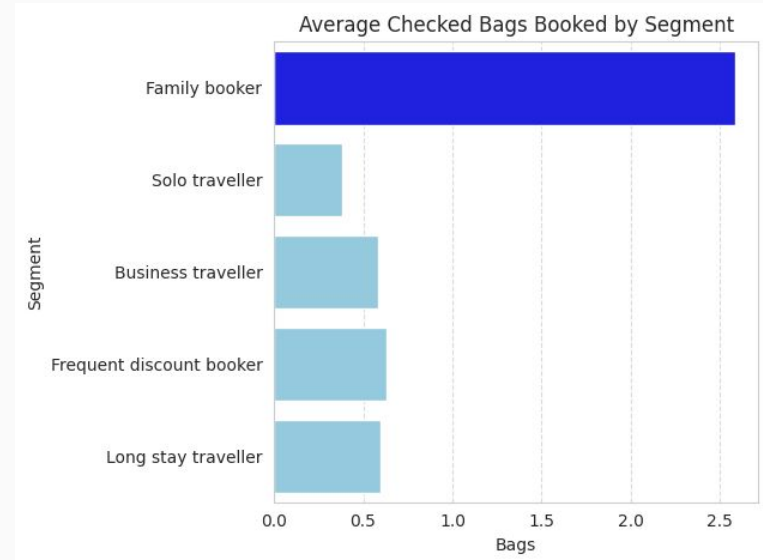- Most likely to cancel

Recommended perk = **exclusive discounts**

Frequent discount bookers have a clear preference for discounts

4) Family booker

Who are they?

- Married with 1-2 children
- Aged 35-50
- 6 nights per booking
- Open to discounts
- Highest spending group per booking

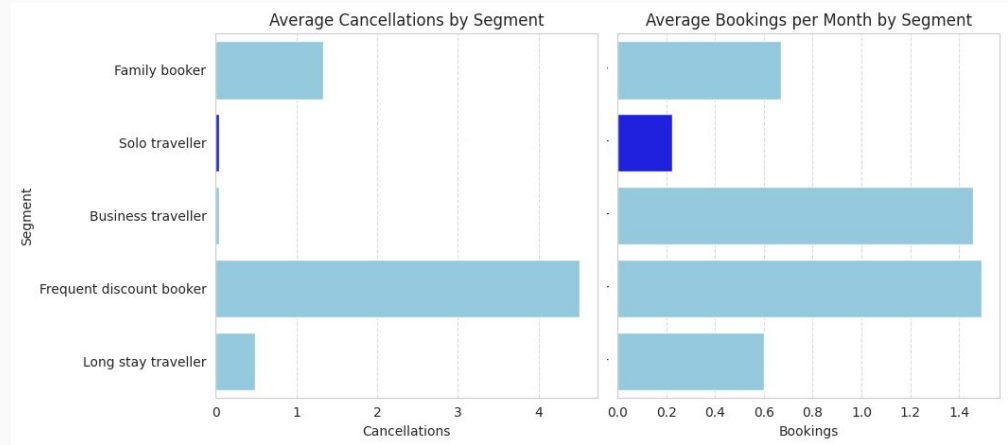Recommended perk = **free checked bag** (2-3 booked per flight)

Family bookers require more baggage than any other group

5) Solo traveller

Who are they?

- Aged 25-51
- Infrequent traveller
- 2-6 nights per booking
- Least likely to seek a discount
- Least likely to check luggage
- Highly unlikely to cancel

Recommended perk = **?**

Solo travellers may be interested to book more often if they don't have a penalty for cancelling.

Next Steps

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1) Agree on segments and perks

2) Add "loyalty" label to <u>users database</u>

3) Add "customer segment" label to <u>users database</u>

4) Initiate test email and compare open rates to benchmark

5) Track loyalty programme sign-ups

Additionally:

- Clean "nights" data in hotels database