



TravelTide

Unlocking Customer Insights: Segmentation Analysis for Reward Program Enhancement

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Perks:

- Free Checked Bag
- Free Cancellation
- Free Hotel Meal
- One Night Free Hotel With Flight
- Exclusive Discounts

Users:

- Users that had more than 7 sessions
- Between 04/01/2023 and the most recent available date.

Context



Aim:

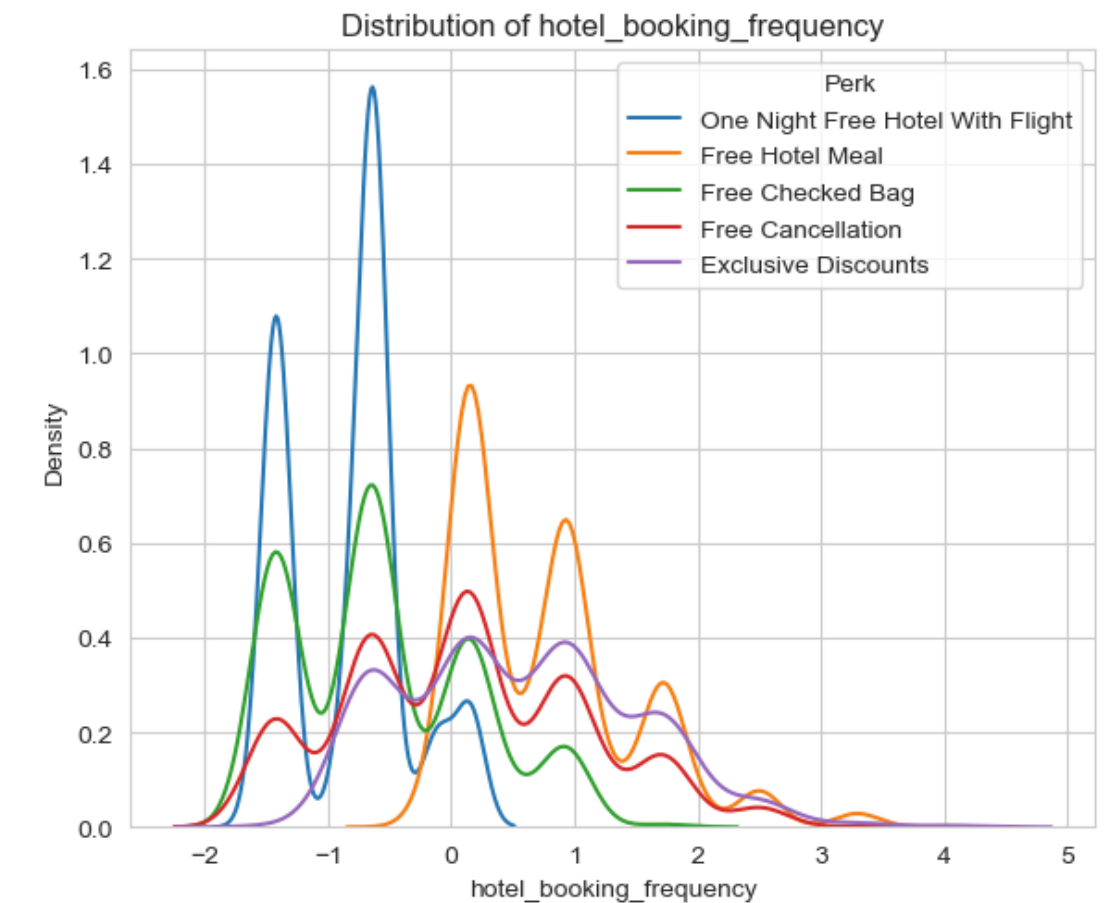
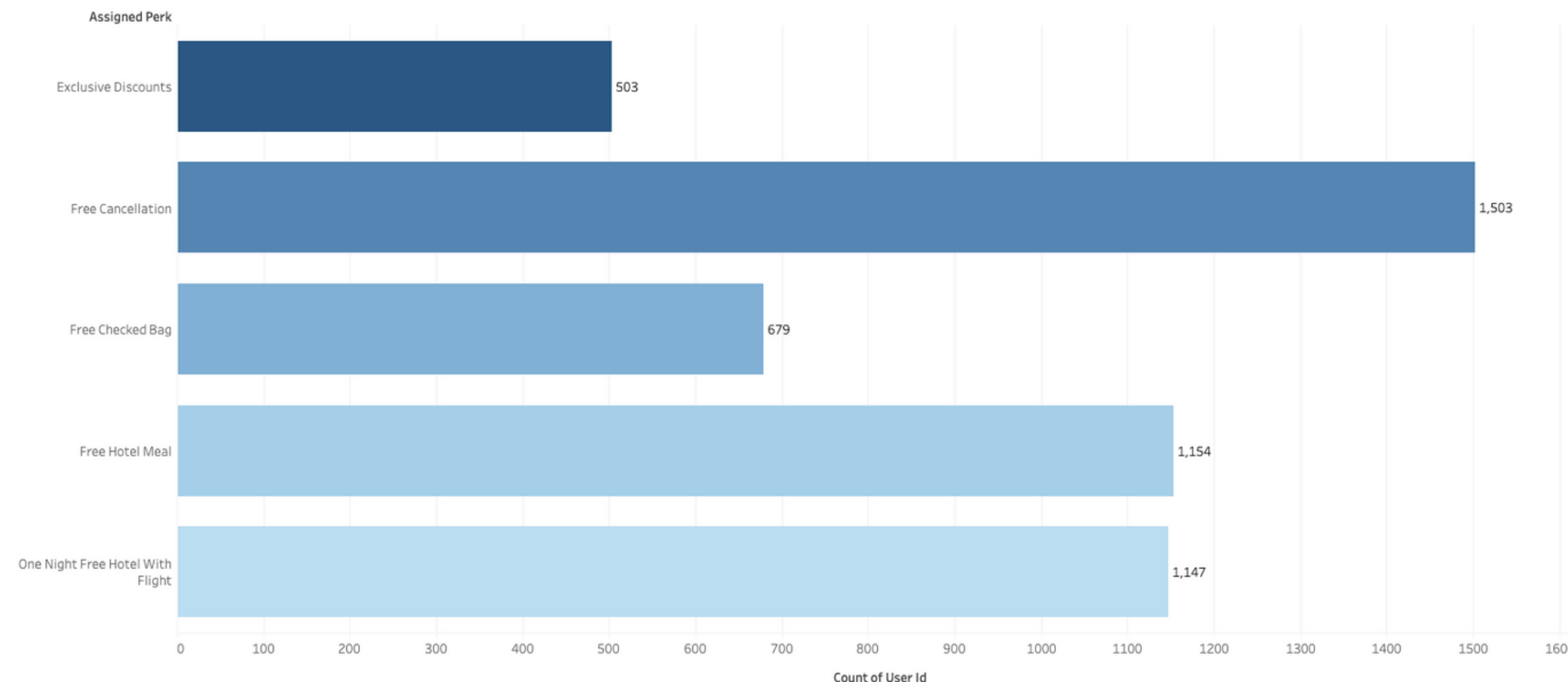
- Utilise K-Means algorithm to identify and cluster unique user segments based on user preference.



Findings

- Insights: "Exclusive Discounts" cluster values cost-effective bookings. "Free Hotel Meal" prefers dining perks. "Free Checked Bag" shows baggage interest.
- Cluster Sizes: "Exclusive Discounts" (bargain hunters) is smallest. "Free Cancellations" (cost-conscious, no cancellations) is largest.

Distribution of Users per Cluster



- Line Chart: "Free Hotel Meal" larger distribution but overlapping clusters suggest multi-preference users.
- Gender Balance: The majority of female users indicate an opportunity for targeted marketing to engage men and diversify the customer base.

Recommendations

- **Multi-Level Rewards:** Implement multi-level rewards catering to customer engagement stages, capitalising on preference overlaps to boost booking activities. Consolidate perks, e.g., "Exclusive Discounts" and "Free Hotel Meal."
- **Periodic Refinement:** Periodically re-segment with a larger dataset for nuanced segmentation, adapting to changing preferences and improving targeting.
- **Feedback Mechanism:** Collect direct customer feedback for program refinement, staying relevant and appealing.
- **Targeted Marketing:** Tailor campaigns to cluster preferences, aligning messages and perks for higher engagement and loyalty.
- **Gender Balance:** Address gender imbalance for a diverse and inclusive customer base, enhancing program reach and appeal.