

Executive Summary

The objective of this analysis was to identify customer segments based on behavioral patterns and assign them to the most suitable perks for TravelTide's rewards program. Our goal was to validate existing perk ideas and optimize perk distribution to increase customer engagement and conversion.

For this analysis, we filtered the data from January 4th, 2023 onwards and focused on users with ≥ 3 sessions. Non-segmented users were excluded from perk recommendations to ensure targeted and actionable insights.

Through user-level feature engineering and segmentation, we identified five key customer segments:

- **Comfort Seekers** prioritize convenience and are willing to spend more on hotels. Perks like *free breakfast* or *one night free stay* are most appealing.
- **Bargain Seekers** show high price sensitivity and respond well to *exclusive discounts*.
- **Adventure Explorers** Spontaneous travelers, benefit from flexible booking perks.
- **Family Travelers** have the highest flight spend per trip, suggesting *free checked bags* or *family-oriented perks* would resonate most.
- **Loyalty Seekers** are engaged and recurrent customers, for whom more *premium perks* like *priority services* or *exclusive partner benefits* could increase retention.

Recommendations:

1. **Activate personalized perk campaigns per segment** to maximize engagement.
2. **Monitor booking conversion trends monthly** to identify early signs of churn.
3. **Focus first on Family Travelers & Bargain Seekers** due to higher churn risk.
4. **Use dynamic dashboards (Tableau)** to track segment performance and adjust strategies in real-time.