

# Detailed Report - TravelTide Project

## Introduction

Travel Tide is preparing to launch a comprehensive marketing strategy aimed at designing and implementing a personalized rewards program that enhances customer retention and encourages repeat bookings on the platform. The program will offer a variety of attractive perks, including:

- Complimentary hotel meals
- Free checked baggage
- Waiver of cancellation fees
- Exclusive discounts for price-sensitive shoppers
- One free night at a hotel with a flight booking

To ensure maximum customer engagement and sign-ups, the Data Analytics team aims to identify which perks resonate most with specific customer segments based on their booking patterns and behaviors.

## Objective

The primary objectives of this analysis are:

1. To assess if customer data supports Elena's hypothesis about certain customer groups having strong preferences for specific perks.
2. To assign the most likely "favorite" perk to each customer based on their individual preferences and behaviors.

## Methodology

The methodology centers on understanding and segmenting customers according to their booking patterns and behaviors. By analyzing these trends, a rule-based Segmentation strategy has been devised that divides the customers into eight distinct

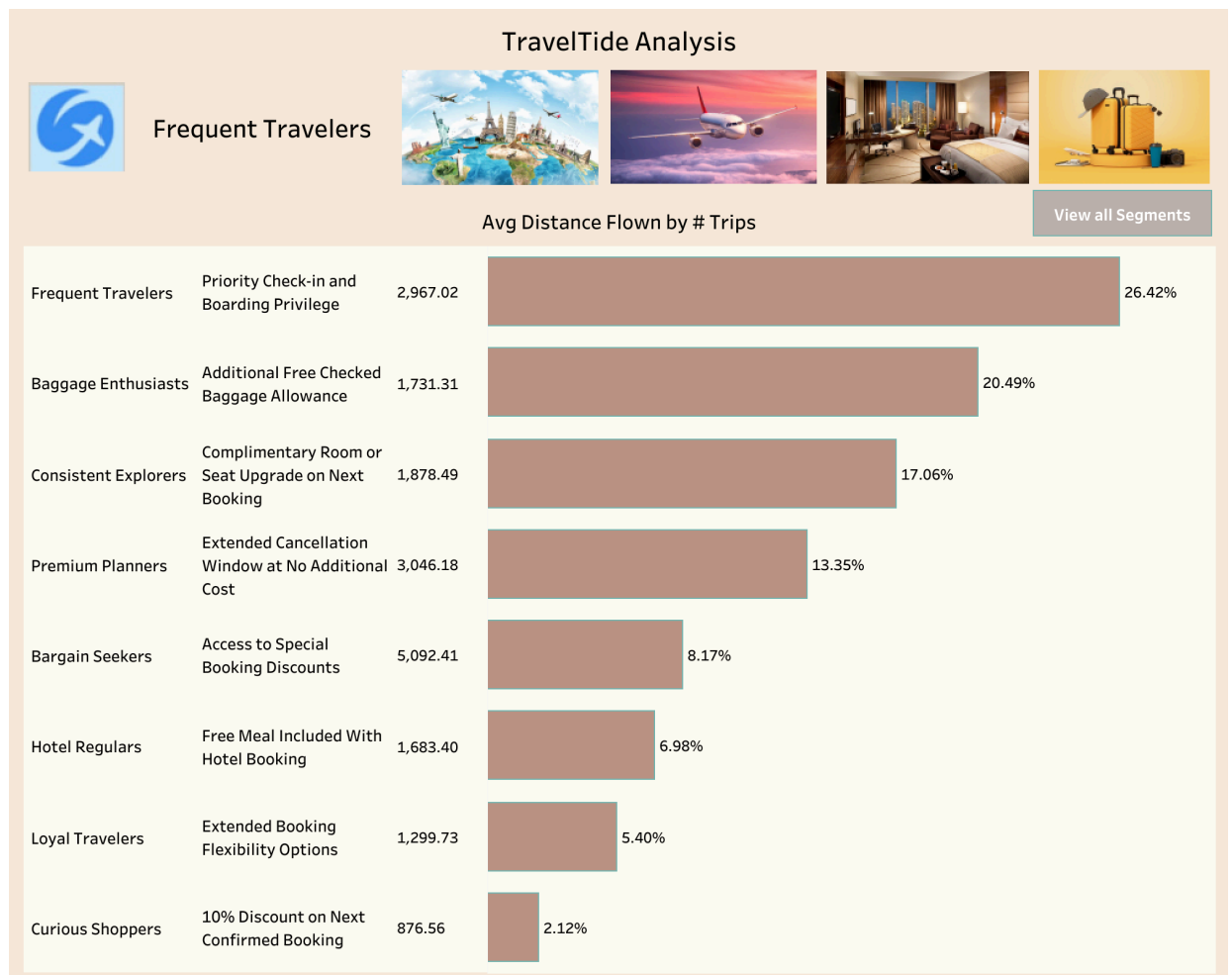
groups, taking into account factors such as booking frequency, spending habits, and preferences. This segmentation enables to deliver highly tailored perks, encouraging the customers to choose TravelTide for their future bookings.

## Key Findings

The segmentation model successfully identified eight distinct customer groups, each with unique characteristics. The perks have been tailored to align with the preferences of each group to drive greater engagement:

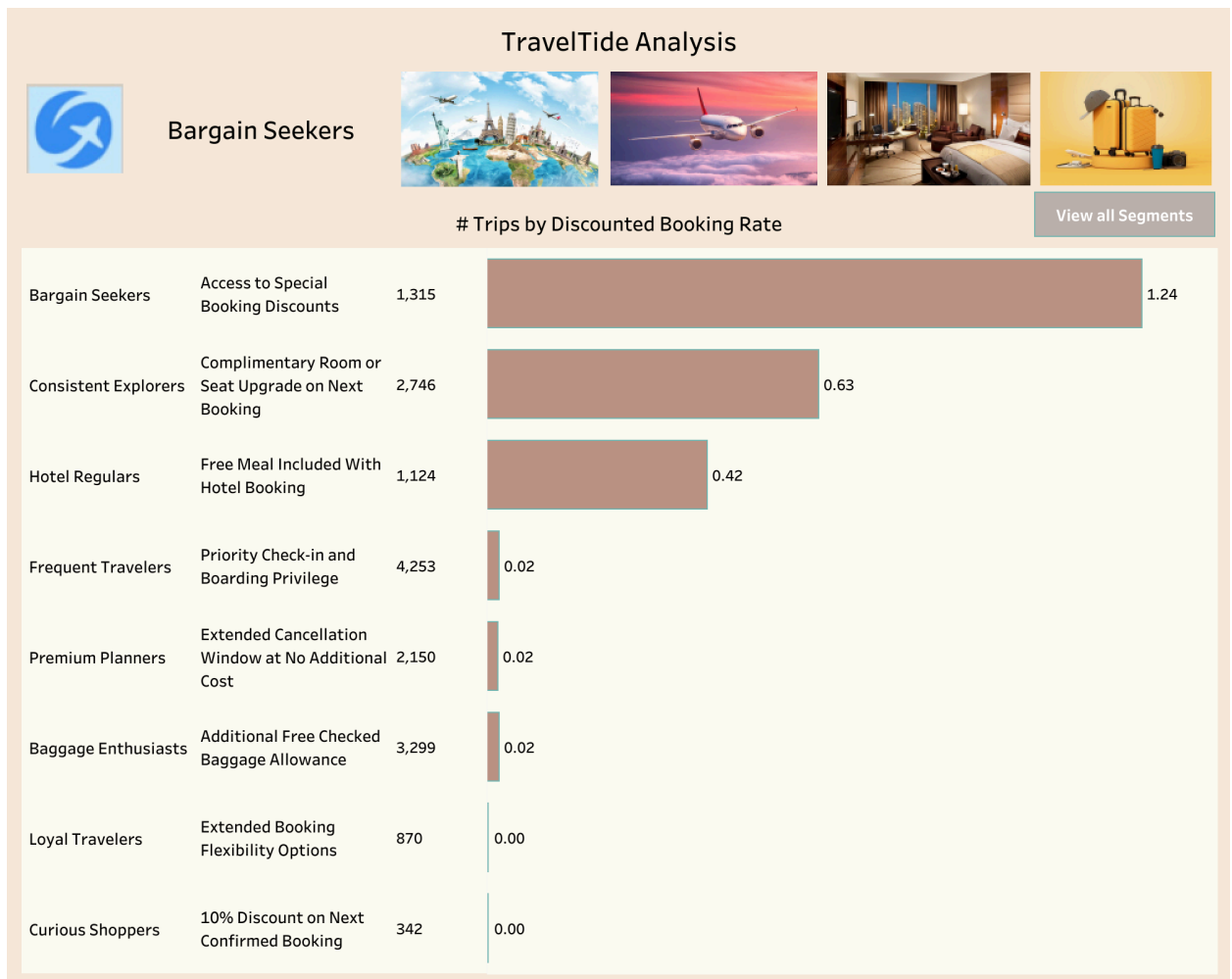
### 1. Frequent Travelers

This group includes users who have taken more than four trips and flown an average distance of over 2,000 kilometers. Known as "Frequent Travelers," they are provided with the **Priority Check-in and Boarding Privilege** perk. This perk enhances their airport experience by offering expedited check-in and boarding processes, acknowledging their frequent and long-distance travel.



## 2. Bargain Seekers

Customers in this segment have made fewer than three bookings, with 20% of those using discounts. These customers are identified as "Bargain Seekers" and are offered **Access to Special Booking Discounts**. This perk targets their existing behavior and encourages further bookings by providing them with tailored, attractive deals.



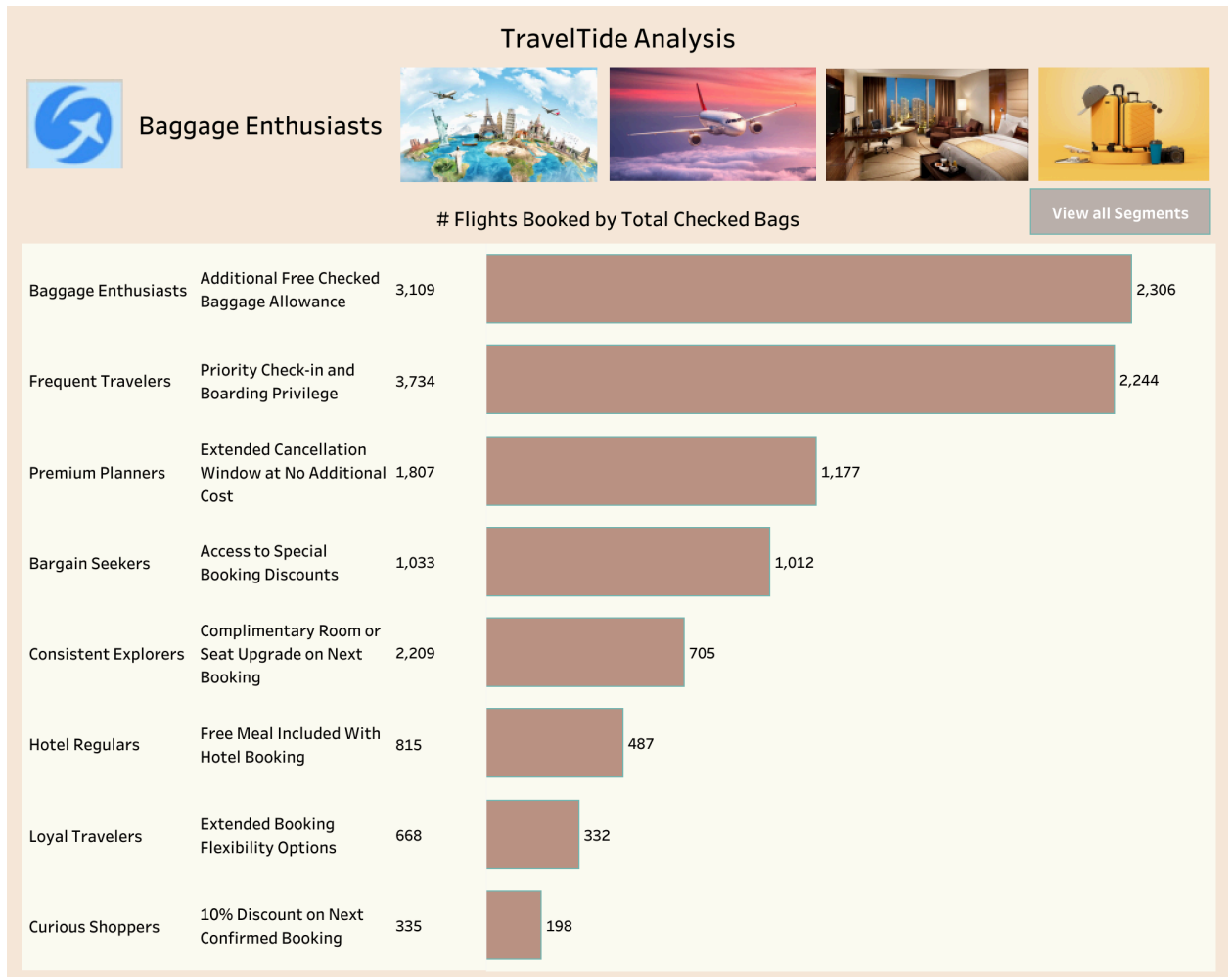
### 3. Premium Planners

This segment comprises high-spending customers who have an average total booking amount of 1,500 or more, with a planning lead time of at least nine days. Termed "Premium Planners," they receive the **Extended Cancellation Window at No Additional Cost** perk, rewarding their proactive travel planning with additional flexibility for cancellations.



#### 4. Baggage Enthusiasts

These customers have booked more than three flights and consistently checked in at least one bag. This group, dubbed "Baggage Enthusiasts," is offered the **Additional Free Checked Baggage Allowance** perk, catering specifically to their frequent baggage needs, making their travel experience more convenient.



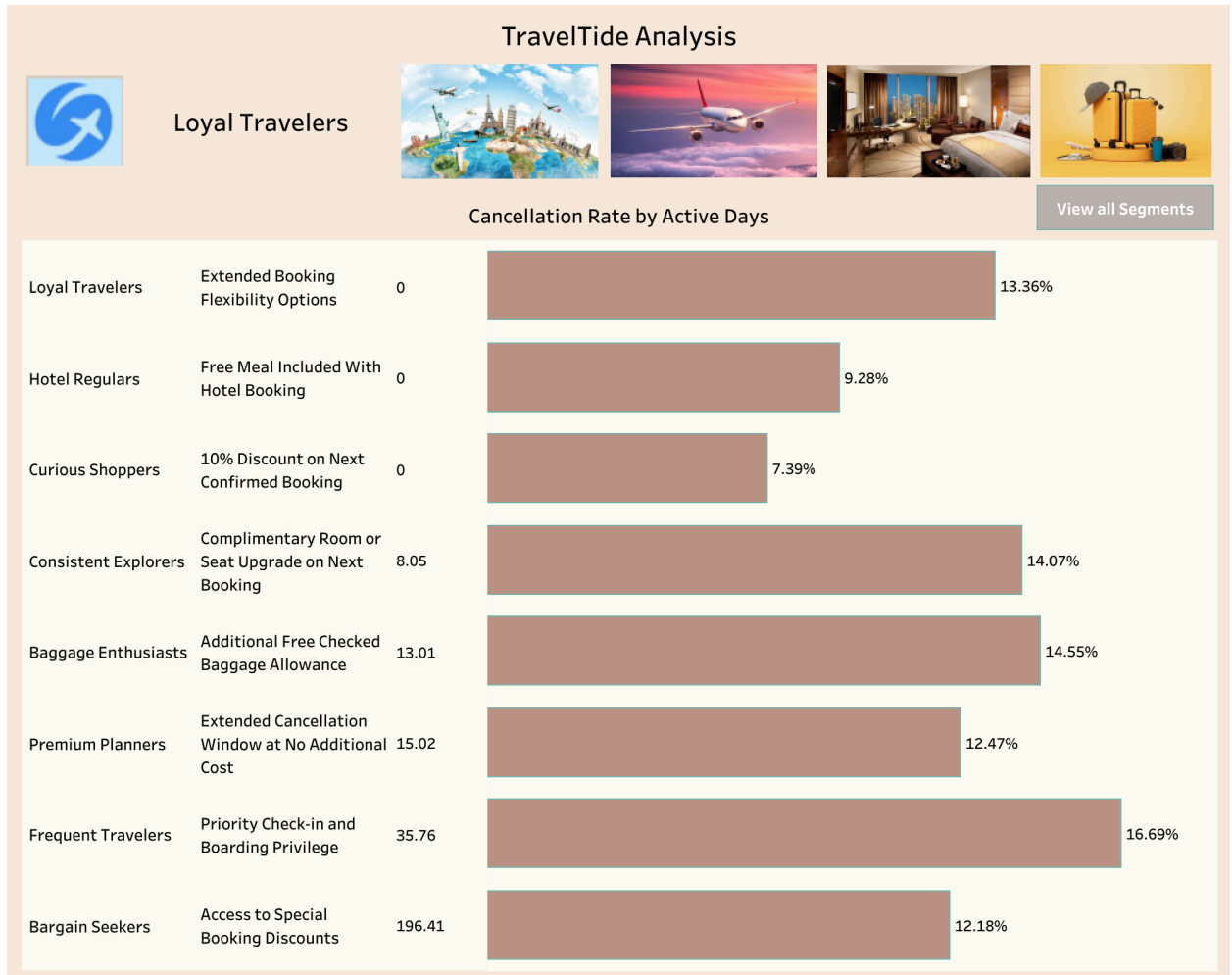
## 5. Consistent Explorers

Users who exhibit a long lifespan (over 60%) and have made at least three bookings are categorized as "Consistent Explorers." They are offered the **Complimentary Room or Seat Upgrade on Next Booking** perk for their repeat engagement with TravelTide. This perk enhances their experience by offering a complimentary upgrade on their next booking, whether for flights, hotels, or both.



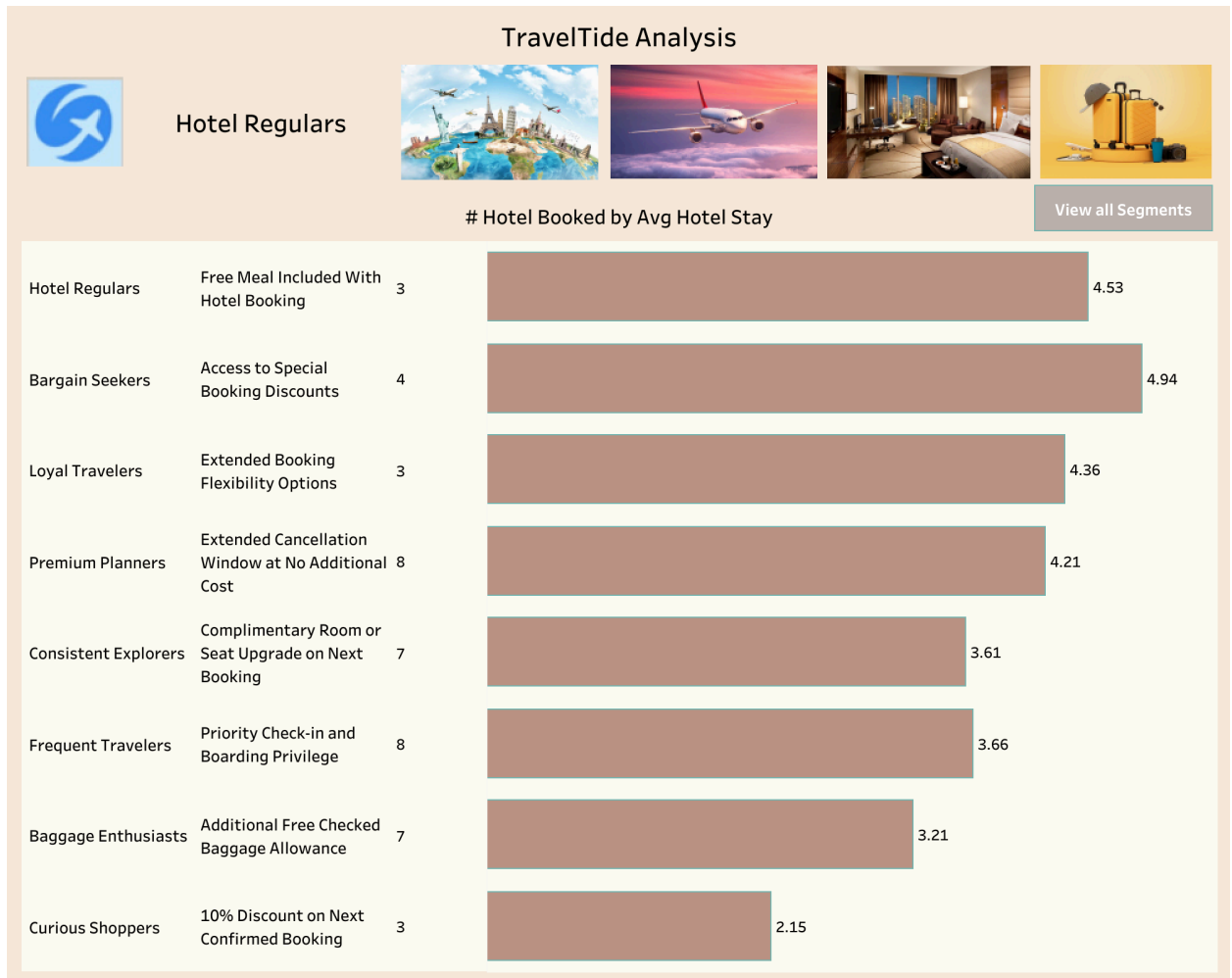
## 6. Loyal Travelers

This group consists of highly engaged customers who have been active for more than 150 days and maintain a cancellation rate below 10%. Given their loyalty, they are categorized as "Loyal Travelers" and are offered the **Extended Booking Flexibility Options** perk. This perk allows them additional time to modify their bookings without incurring extra charges.



## 7. Hotel Regulars

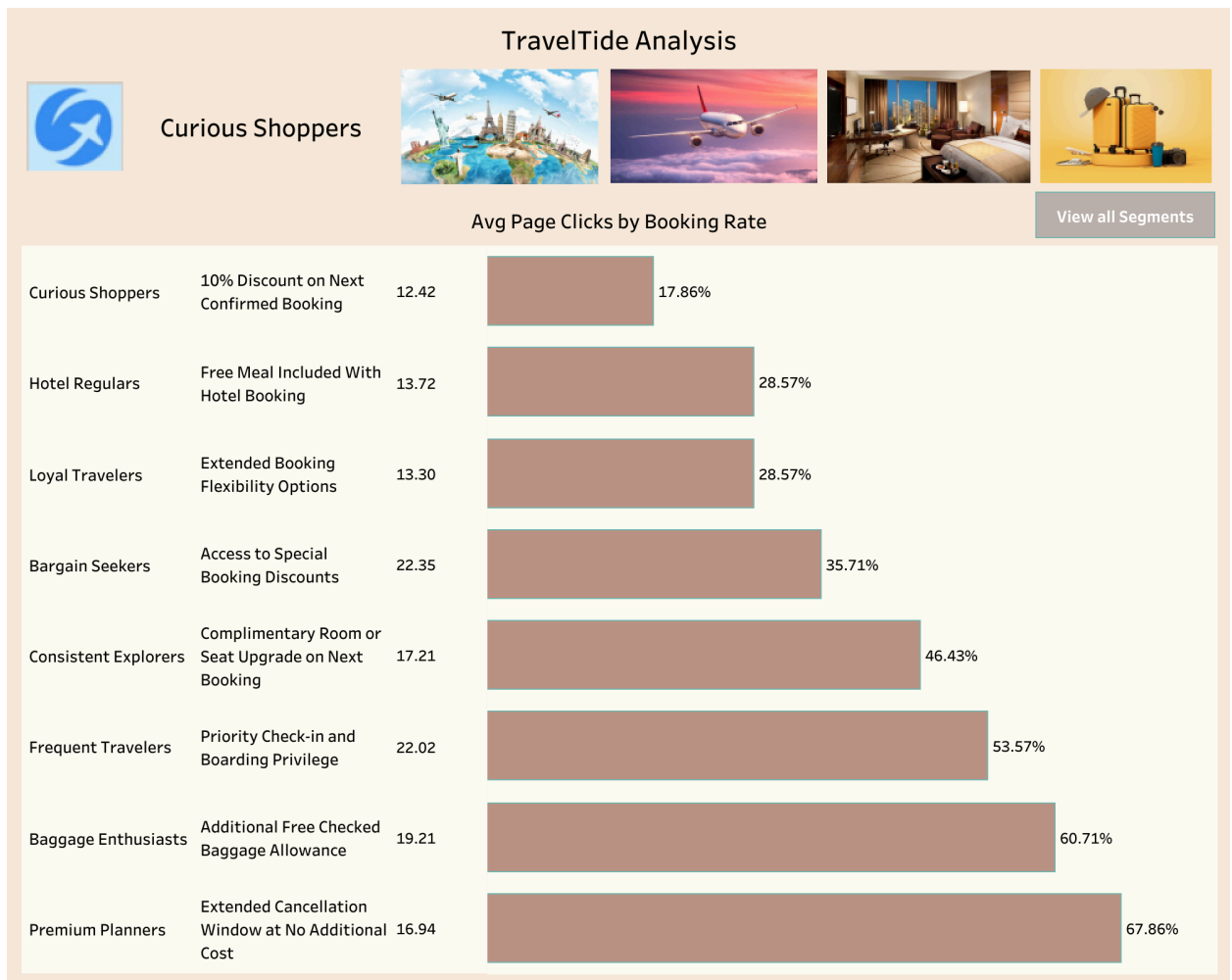
Customers who have booked at least one hotel and have an average stay of two nights or more are classified as "Hotel Regulars." They are offered the **Free Meal Included With Hotel Booking** perk to reward their consistent hotel bookings and encourage repeat visits, enhancing their overall lodging experience.





## 8. Curious Shoppers

These customers exhibit high engagement on the platform, averaging more than three page clicks, but they have a low conversion rate, making fewer than three actual bookings. Recognizing their browsing activity, this group is termed "Curious Shoppers" and is provided with a **10% Discount on Next Confirmed Booking**. This incentive aims to bridge the gap between their browsing interest and actual purchasing behavior.



## Recommendations

Based on the analysis and the defined customer segments, the following strategic actions has been proposed to optimize perk relevance and improve data quality:

- ❖ **Launch a Customer Feedback Survey**

Develop a targeted feedback survey to gather insights from all user groups—such as **Bargain Seekers, Frequent Travelers, and Loyal Travelers**—to assess how well the assigned perks meet their expectations. This will help evaluate perk effectiveness and identify areas for refinement.

- ❖ **Refine Perk Assignments Based on Feedback**

Use the survey data to adjust and personalize perks more accurately. For example, if **Premium Planners** don't see value in extended cancellation windows, an alternative reward like priority booking access could be more appealing.

- ❖ **Standardize Data Recording for Cancellations**

Implement a consistent data entry rule where all canceled bookings are recorded using negative values. This will streamline reporting and improve the accuracy of future segmentation efforts.

- ❖ **Resolve Data Integrity Issues**

- **Correct Check-in/Check-out Order:** Ensure check-in and check-out dates follow logical sequence to prevent inaccurate stay data.
- **Fix Duration Discrepancies:** Address inconsistencies where calculated durations don't align with actual booking periods.
- **Enforce Minimum Stay Recording:** Ensure that every hotel check-in corresponds to at least one recorded night, even if full duration details are missing.

## Conclusion

The segmentation model has successfully identified distinct customer groups and paired them with relevant perks that align with their preferences and behaviors. By leveraging this personalized approach, TravelTide can enhance customer satisfaction, increase engagement, and maximize the effectiveness of its rewards program.

## **Links**

[Executive Summary](#)

[Tableau Dashboard](#)

[Presentation](#)

[TravelTide Analysis](#)

[GitHub Repository](#)