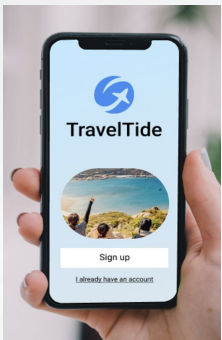


TRAVELTIDE PROJECT

Customer Segmentation

by Natalia Syrychenko





Today's agenda:

Introduction

Since its launch in April 2021, TravelTide has rapidly grown into a prominent player in the online travel industry, leveraging cutting-edge data capabilities to offer the most comprehensive booking catalog. CEO Kevin Talanick is focused on strengthening customer loyalty and retention.

Objectives

Segment customers based on their behavior and develop a personalized rewards program that ensures they continue to choose TravelTide for their travel needs.

Methodology

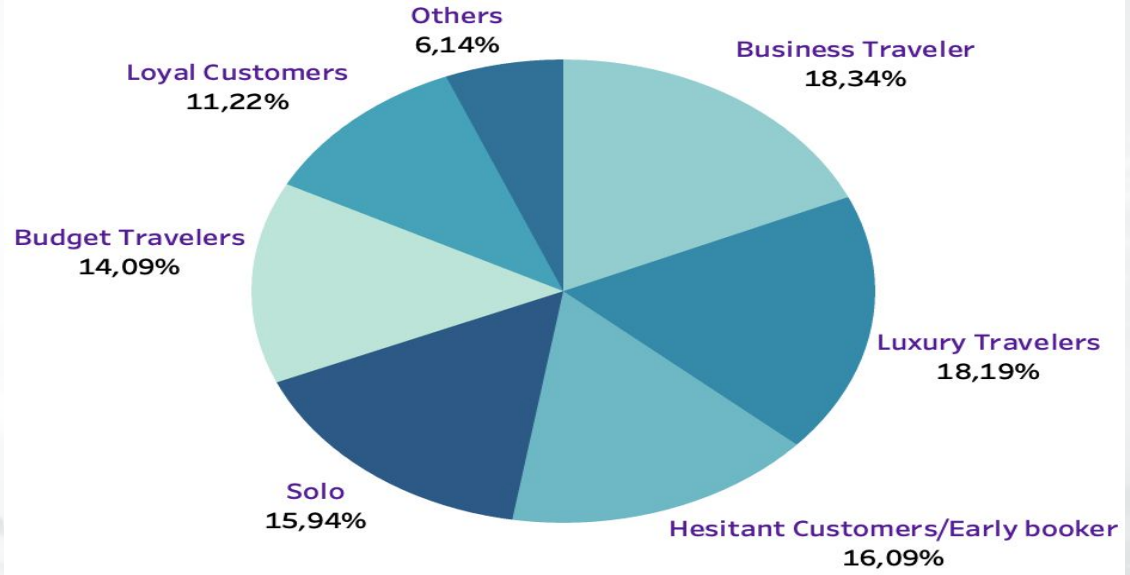
The analysis began by extracting raw data from four key tables using SQL. We then processed and analyzed the data, employing segmentation techniques and Tableau visualizations to identify users with over seven sessions between January 4, 2023, and the most recent data. Each user was then matched with a proposed perk tailored to their behavior.



Customer Segmentation

Analyzing Customer by Gender

Female Business Travelers represent the largest customer segment

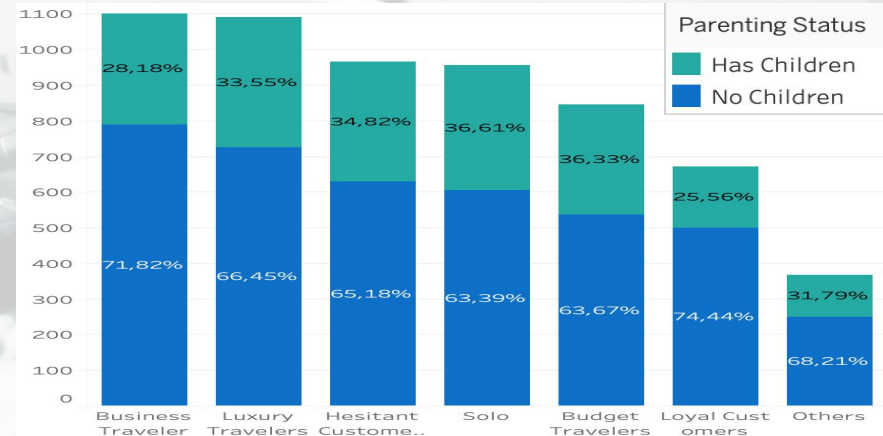
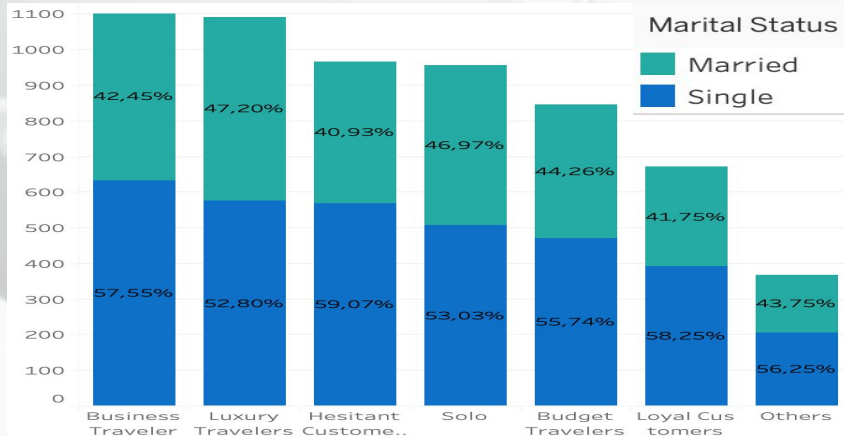
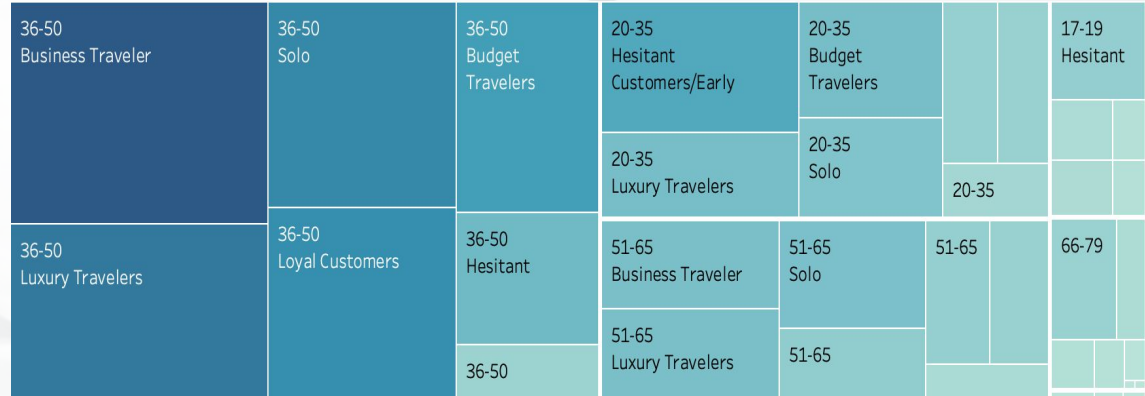


Gender	Business Traveler	Luxury Travelers	Hesitant Customers/ Early booker	Solo	Budget Travelers	Loyal Customers	Others
Female	989	951	850	835	742	602	323
Male	108	140	113	120	101	70	43
Other	3		2	1	2	1	2

Customer Segments by Age Groups, Marital & Parenting Status

Predominate by

- age: **36-50**
- marital status: **Single**
- parenting status: **No Children**



“Business Travelers”:

1 100 (18,34%) users fall into this category

- **Age Range:** 25-66 years old
- **Solo Travel:** Typically books a single seat (avg. seats = 1)
- **Short Trip Duration:** Trips are typically 3 days or less
- **Last-Minute Bookings:** Usually books with 8 days or less notice
- **Frequent Travel:** At least 3 bookings last 6 months
- **Low Cancellation Rate:** Maintains a low or zero cancellation rate

PERK: Free Access to Airport Lounge



“Luxury Travelers”:

1 091 (18,19%) users fall into this category

- **Low Cancellation Rate:** Booking commitment is high (cancellation rate \neq 1)
- **Longer Stays:** Typically books stays for 4 nights or more
- **Frequent Traveler:** Has made at least 2 bookings
- **High Hotel Spend:** Spends above the median hotel spend

PERK: Free Hotel Night



“Hesitant Customers/Early Bookers”:

965 (16,09%) users fall into this category

- **No Previous Bookings or High Cancellation Rate:** Has either zero bookings or a cancellation rate of 100% (cancellation rate = 1)
- **High Engagement:** Participates in at least 8 sessions on the platform
- **Long Booking Lead Time:** Typically books with more than 30 days' notice

PERK: Free Cancellation



"Solo":

956 (15,94%) users fall into this category

- **Solo Traveler:** Typically books a single seat (avg. seats = 1)
- **Short to Medium Trip Duration:** Trips are usually 5 days or less
- **Checked Baggage:** Has checked at least one bag on average or in total
- **Frequent Traveler:** Has made at least 2 bookings

PERK: *Free Checked Bag*



“Budget Travelers”:

845 (14,09%) users fall into this category

- **At Least One Booking:** Has completed at least 1 booking
- **Low Cancellation Rate:** Maintains a low or zero cancellation rate
- **Budget-Conscious Traveler:** Spends below the median on either fares or hotel stays

***PERK:** Discount on excursions and car rental*



“Loyal Customers”:

673 (11,22%) users fall into this category

- **High Engagement:** Frequently uses the platform with over 7 sessions
- **Frequent Bookings:** Has made at least 4 bookings
- **Strong Booking Rate:** Successfully books over 30% of the time
- **Low Cancellation Rate:** Maintains a low or zero cancellation rate

PERK: Free Airport Transfers



“Others”:

368 (6,14%) users who did not fall into any of created customer segmentation

PERK: *Welcome drink*



Insights:

During the data analysis, inconsistencies were found in the number of nights (-2, -1, and 0). Following management's decision, these were replaced with 1. Additionally, I adjusted 38 rooms listed as 0 to 1, given no cancellations and the fact that over 80% of travelers rent 1 room.

The adjustments to nights and rooms enhance the accuracy of our analysis, providing more reliable data for future decisions.

Recommendations:

To further improve segmentation and offer personalized services, it's essential to collect more detailed customer insights. Key information includes:

- **Customer Feedback:** Reviews of previous trips
- **Preferences:** Travel preferences, favorite destinations
- **Accommodation Needs:** Housing requirements
- **Dietary Preferences:** Nutritional wishes
- **Service Ideas:** Suggestions for new services

Implementing automated surveys and gathering detailed customer insights will enable more precise segmentation, leading to personalized services and enhanced customer satisfaction.

Thank you

for your attention