



Customer Segmentation

TravelTide

Rewards Program

✓ Introduction to Project

This project aims to design a personalized rewards program for TravelTide, a travel service company.

✓ Why Segmentation Matters

- Customer segmentation helps us move away from a one-size-fits-all strategy.
- By identifying distinct customer groups, we can offer perks that are more relevant and appealing—improving both satisfaction and retention.

EXECUTIVE SUMMARY

- Analyzed 5,890/15,890 users to tailor perks by behavior & spending
- Tier-boost prioritizes high-spending VIPs
- Three customer persona: VIP Voyager, Saver-Seeker, and Flicble Nomad
- Low-KPI users align high cancellation clusters - Employ to emprko retarge



VIP vs STANDARD

244	348
nights	nights

VIP vs STANDARD

\$179	\$139
spend	spend

TravelTide



Free
Check
Bag



Free
Hotel
Night



Exclusive
Distinctions

PERSONA SUMMARY

VIP VOYAGER	SAVER-	FLEXIBLE
32%	SEEKER	NOMAD
	47%	21%

PERK MATRIX VIEW

Prioritize exquisite perks for exclusive VIPs focus cost-effective offers for high-value, Saver spend personas



Objective

Rewards program
4 free* + 1 special perks
that personalize to
customer behavior



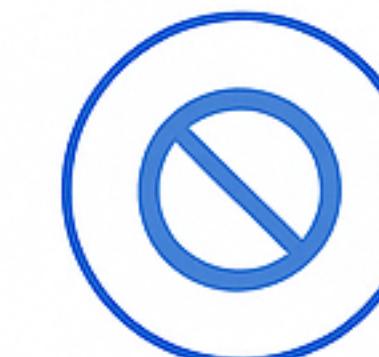
Free
hotel meal



Free
hotel night



Free
checked bag cancellation



Free



SPECIAL
OFFER

improve retention
Maximize spend

Ensure perks are suited to user

* Free hotel meal (FHM), free hotel night (FHN)-free perks are 'standard'

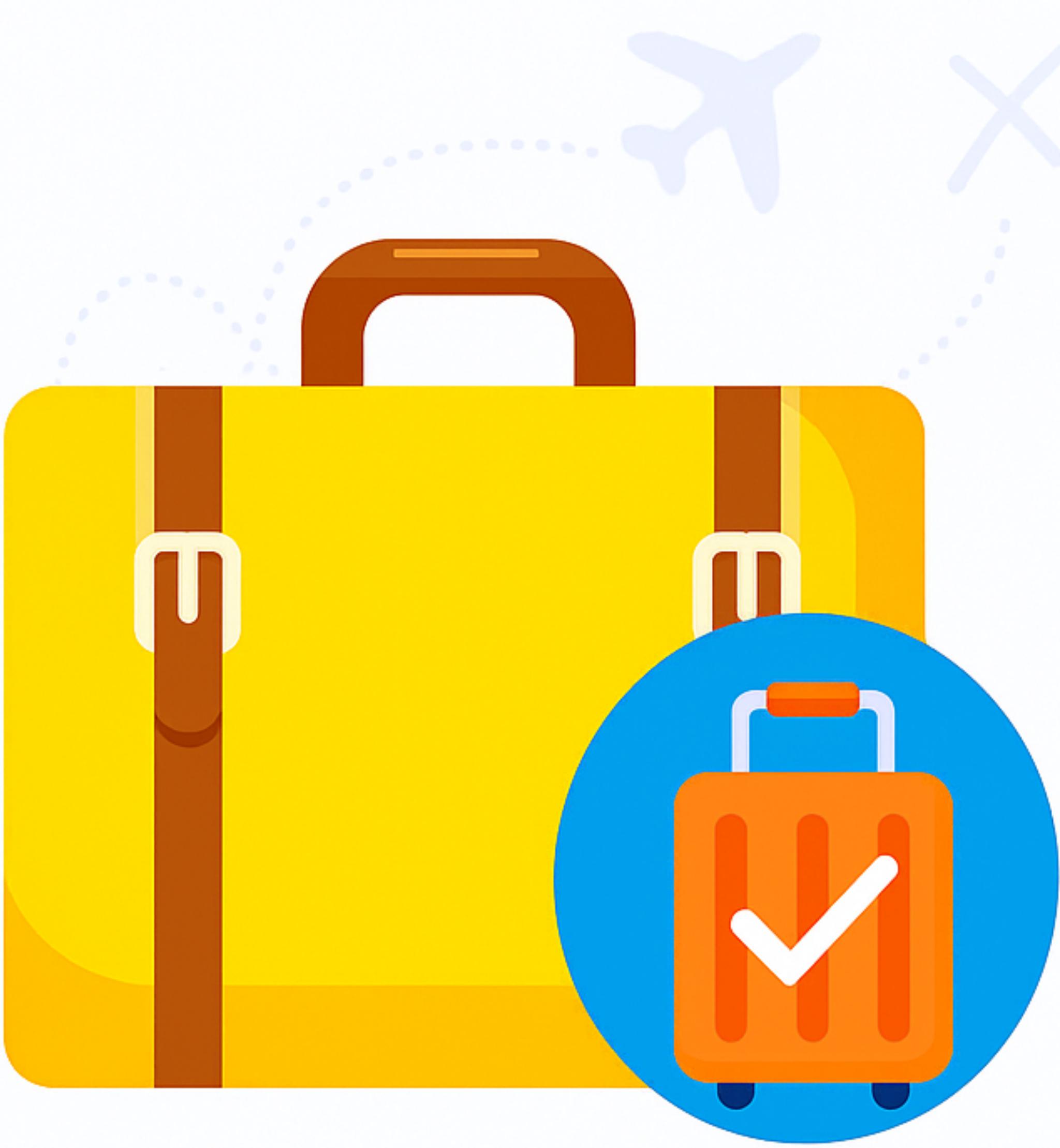


KPIs

Booking lead time
earlier hotel reservations

Hotel spend
increase in per-night revenue

Cancellation rate
fewer flexible cancellations

A large yellow suitcase with brown leather straps and a white buckle is positioned on the left. To its right is a blue circular icon containing a smaller orange suitcase with a white checkmark on its front panel.

Free checked bag

Aim

Shift budget travelers to premium; encourage longer overseas trips

Rationale

Reducing baggage concerns can motivate transition to premium

Results

32.7 % of budget travelers received this perk

Recust

32.7 % of budget travelers received this perk



VIP

Objectives

Identify the most valuable customers and provide them superior rewards

Results

VIP users (32.6% of all users) show higher booking lead time and hotel spend

Definition

As those = cluster 1) with high scores on Free hotel meal (FHM) and Free hotel night)

Free hotel meal



Goal

Increase hotel bookings by providing complimentary dining

Rationale

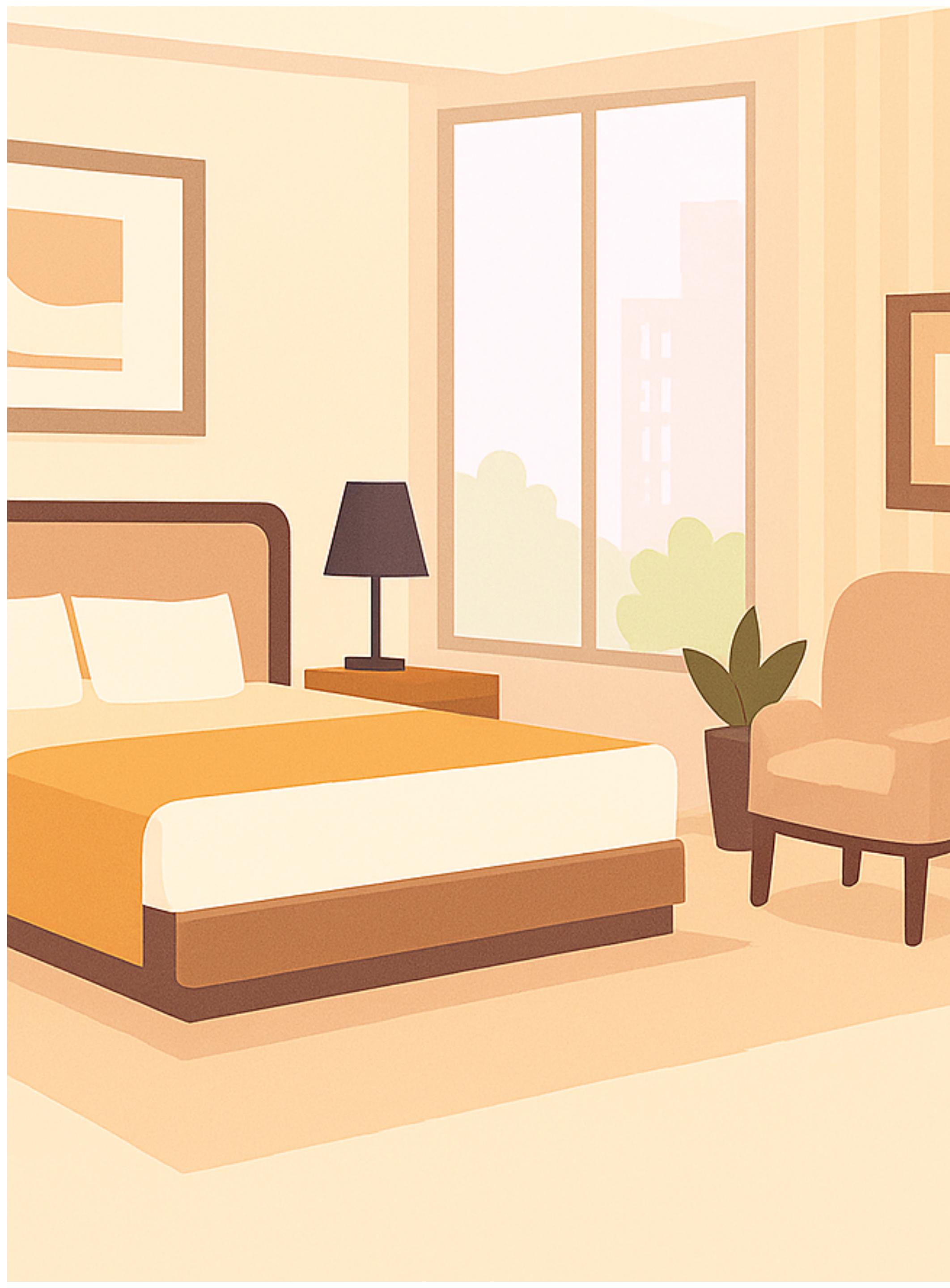
A complimentary pizza and soda may entice patrons to extend their hotel stays

Results

Results

40% of 556 users with this perk increased their stay duration and spending (vs non-eligible group)

*Sub-metric: guests per stay



Free hotel night

Aim

Reward premium customers who travel more and spend more.

Rationale

Exquisite hotel perks motivate extended, high-value travel

Results

5890 VIPs surpass average metrics*
24% of their trips are >7 days (vs avg 10%) as vsugr long
3x likely to travel abroad



Free to cancel

Goal

Capture recurring late bookers with high cancellation rates

Rationale

Aligning perks to these users can reduce cancellation costs

Results

1,144 users book late; 60%+ of the time, bookings are cancelled (vs avg 41%); yet, 41% still convert to paid

* User level sub-metrics: vacation | booking | lead time | booking cancellation rate, and % canceled bookings that were converted paid

Special offer



Goal

Drive additional revenue by promoting discounted pricing

Reason

Discounts provide an incentive to encourage bookings

Findings

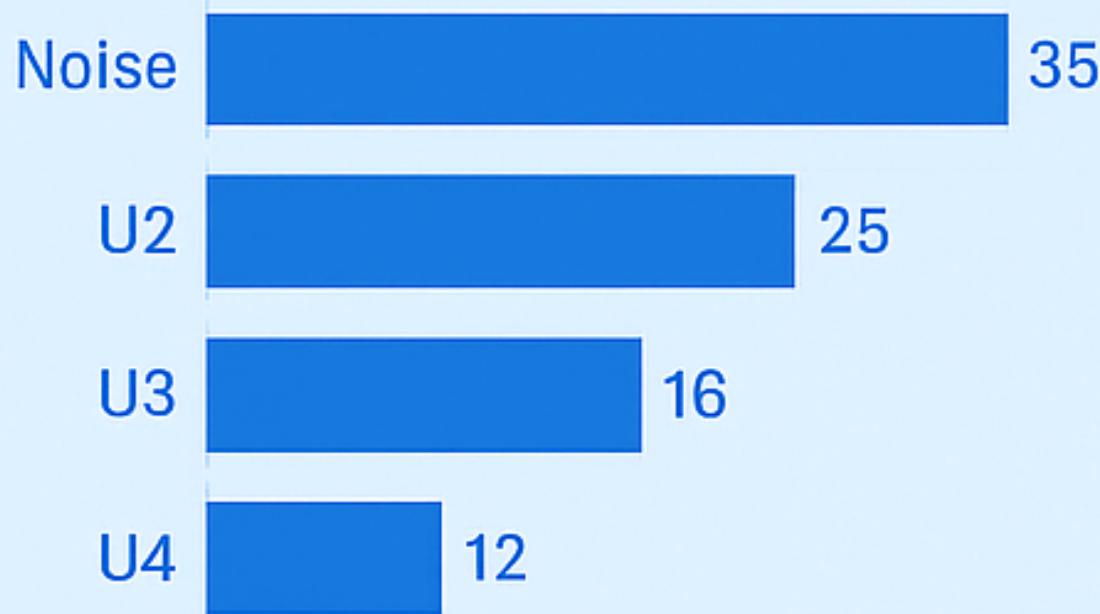
96 non-VIPs utilize discounts

44% of their trips involve a discount

The average discount received is 24%

K-Means: Allocation insights

Allocated perks by K-Means cluster



User averages on spend, lead time and cancellation



Allocation findings

U3 shows the highest cancellation and discount rates, fitting free to cancel perk

Rationale

VIP prioritaiton rationale boosts top hotel spend scores for U1 users

Perks validated?

Yes – Free hotel meal, Free hotel night

Persona alignment insights

VIP Voyager users (U1):
high loyalty, high spend

Saver Seeker (U3) benefits most from free cancellation due to frequent cancellations

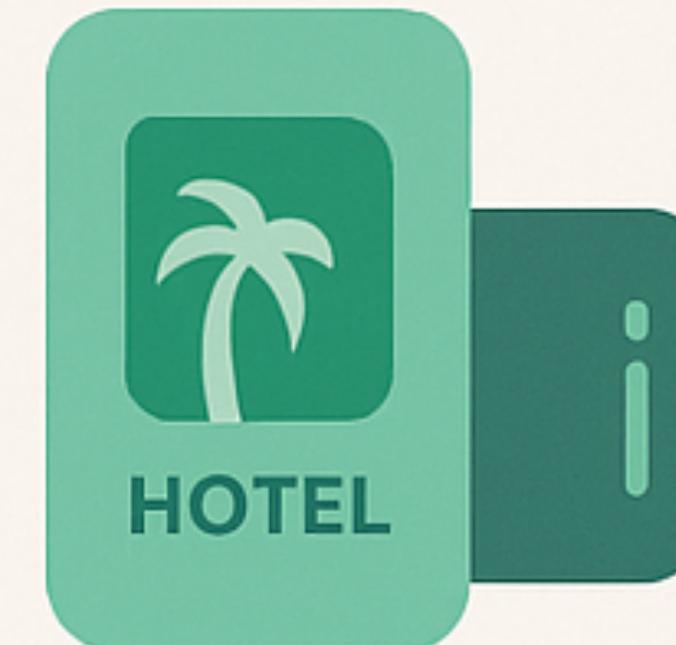
Caption

Recommendations for TravelTide



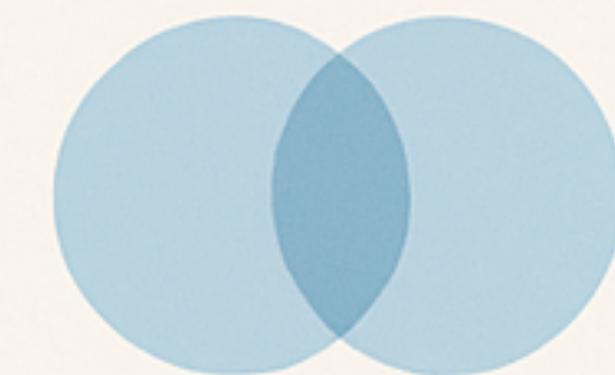
Prioritize Exquisite Perks

Focus on top-tier rewards such as Free Hotel Nights and Free Meals for VIPs and long-stay customers



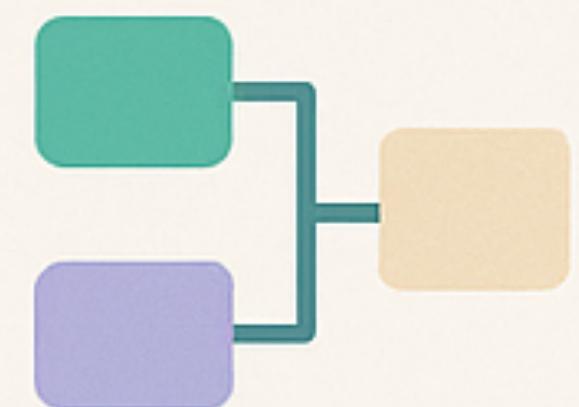
Merge Overlapping Rewards

Combine “Free to Cancel” perk with “Special Offer”



Enable Dynamic Matching

Assign perks in real time based on session behavior



Track KPIs Monthly

Monitor Booking Lead Time and Cancellation Rate

