

Executive Summary TravelTide – Users segmentation

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04/09/2023

Introduction

This executive summary provides an overview of the recent user segmentation analysis for TravelTide's app. The analysis divides users into distinct groups based on their app usage behavior in the past few months.

Objectives

Our segmentation aims to categorize users into five groups, each with its unique benefits, and encourage them to join our rewards program. To access these perks, users must enroll in the program. By tailoring perks to individual users, we can effectively communicate the value proposition of our rewards program.

Methodology

We began by defining the user cohort, which includes users with over seven app sessions since January 4th, 2023, totaling 5998 users. Next, we assessed five potential perks: free hotel meals, free checked bags, no cancellation fees, exclusive discounts, and one free night at a hotel with a flight. We then devised relevant metrics for these perks and analyzed them at the user level.

Key Findings

Exclusive Discounts in Flight: Metrics for this perk included the percentage of flight purchases made with a discount, the average discount per flight purchase, and the savings per kilometer flown.

One Night Free Hotel with Flight: We considered the percentage of hotel bookings with discounts, the average discount per hotel booking, and the savings per hotel booked.

Free Checked Bag: We examined the average number of bags checked per flight.

Free Hotel Meal: We assessed the average number of nights users stayed at hotels. For the latter, it's worth noting that even users with shorter stays benefit significantly from a free meal, as it constitutes a larger percentage of their travel expenses.

No Cancellation Fees: We evaluated the percentage of flight cancellations relative to flights booked. Additionally, we observed strong correlations with two metrics: average session clicks and average session duration.

In conclusion, we segmented our 5998 users into five groups based on these metrics, assigning each user to the most suitable perk group. However, the group sizes vary: 938 for exclusive flight discounts, 1043 for one free night at a hotel with a flight, 1399 for free checked bags, 766 for no cancellation fees, and 1852 for a free meal.

Further insights indicate that users aged 35-50 constitute 68% of our general user base, but this percentage increases to 78% for the exclusive flight discounts group. This suggests the need for

targeted strategies for this age group. Similarly, the one free night at a hotel with a flight perk attracts a higher percentage of unmarried women, growing from 25% to 32%. Conversely, for the free checked bag perk, the percentage of married users increases while unmarried users decrease, balancing at 50% each.

The no cancellation fees perk shows a significant shift in age distribution, with 35-50-year-olds decreasing by 27% and making up 40% of the base. Meanwhile, users aged 16-21 grow from 8% to 26%. Notably, there's a strong correlation between flight cancellations and users with extended sessions and high click activity.

Recommendations

I strongly recommend that the marketing team crafts targeted email campaigns for each user segmentation group. Additionally, we should collaborate with the data team to monitor the effectiveness of this segmentation and continuously refine it for improved results.

Video presentation

<https://www.loom.com/share/b73ee367377846fb9e5449c8ad8e9bef?sid=d617ee8f-5a12-42af-a39a-41aacb6dfd02>