

# TravelTide - Detailed Report

Customer Segmentation

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## 1.- Introduction

Since its launch in April 2021, TravelTide has experienced consistent growth in the online travel sector, providing customers with access to one of the most comprehensive travel inventories available. With this initiative, we aim to implement a strategic segmentation approach to tailor customer experiences and enhance retention through a rewards-based loyalty program.

## 2.- Objectives

- Analyze one year of data on customer travel habits to understand behavior.
- Segment customers based on session duration, bookings, demographics, and spending.
- Offer targeted incentives to encourage repeat engagement and boost loyalty.
- Develop a scalable framework for loyalty and personalization.

## 3.- Methodology

Initially, we established a user cohort consisting of individuals who completed more than seven sessions between July 2022 and July 2023.

In the next phase of the project, we conducted an Exploratory Data Analysis (EDA) process to ensure the consistency and quality of the data. During this phase, we uncovered several issues, including inconsistent values in hotel bookings (such as negative figures) and cancellation records that could affect our further analysis. We tackled these challenges by utilizing a range of statistical tools.

Data sources comprised session logs, flight and hotel bookings, and user demographics. SQL pipelines facilitated the aggregation and transformation of this data into behavioral metrics and segment profiles. A decision tree was created to categorize users into one of seven unique segments, with each segment linked to specific loyalty perks.

## 4.- Segment Profiles

1. Adult Explorer – High-value, frequent solo or couple travelers who seek unique cultural experiences.  
Perk: Exclusive Discount + Free Check Bag.
2. Family Traveler – Group travelers focused on comfort and value.  
Perk: One night free hotel with flight.

3. Business Traveler – Frequent short-trip travelers with consistent routines.  
Perk: No cancellation fees.
4. Young Traveler – Budget-conscious, spontaneous travelers under 30.  
Perk: Free check bag.
5. Hotels Only – Users booking only hotels, often road-trippers.  
Perk: Free hotel meal.
6. Visitor with High Potential – Users who browse deeply but have not booked.  
Perk: Free hotel meal.
7. Just Looking – Casual visitors with very short sessions.  
Perk: Free hotel meal (if session exceeds 1 minute).

## 5.- Key Findings

After defining the cohort for the project, and the data cleaning, we discovered the following:

- TravelTide operates exclusively within Canada and the USA.
- The age range of customers is between 30 and 50 years old.
- The majority of valid trips booked are by singles or couples without children.
- The typical expenditure per trip is approximately \$1,600.
- The three primary segments—Adult Explorer, Family Traveler, and Business Traveler—account for 80% of the total revenue.

## 6.- Next Steps

- Implement A/B testing targeted at high-revenue segments to assess the impact of perks.
- Monitor the economic effects of implementing perks on the business's profitability.

## 7.- Recommendations

1. **Launch Loyalty Campaigns:** Activate perks by segment in upcoming marketing cycles (e.g., email, push notifications, targeted discounts).
2. **Monitor Segment KPIs:** Track conversion rate, retention, and spend per segment over time to refine strategies.
3. **Expand Segmentation Logic:** Integrate machine learning to dynamically update perks based on evolving user behavior.
4. **Personalized Landing Pages:** Redirect users to segment-specific experiences (e.g., curated hotel deals for “Hotels Only”).
5. **New Markets:** Create and execute a comprehensive growth strategy to broaden market reach into international territories.

8.- Summary Table

	Num Of Valid Trips	% Total Users	# of Users	Avg. Trip Duration in Days	Total Revenue (MUSD)	Tot Revenue per Trip	Avg. Distance Km
Adult Explorer	82,130	37,55%	21,560	5	128,695	1.624	2,375
Family Traveler	37,068	18,35%	10,535	5	64,652	1.819	2,439
Business Traveler	44,368	24,36%	13,987	2	52,791	1.191	2,080
Young Travelers	13,107	11,05%	6,345	6	18,356	1.805	3,331
Hotels Only	2,698	3,32%	1,904		676	1.187	2,164
Visitors with High Potential	0	4,54%	2,608				
Just Looking	0	0,84%	484				
Grand Total	179,371	100,00%	57,423	4	265,170	1.559	2,394