

DS Mastery Project

TravelTide: Retain & Reward

09 January 2026

Filippo Pedrini



Company Profile & Project Presentation

About TravelTide

AI-powered travel platform for personalized trip planning.



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AI-powered travel platform for personalized trip planning.

Main strength

Very attractive due to a large inventory and powerful search

Biggest challenge

Customer retention

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Project goal

Design a personalized rewards program through customer segmentation to increase customer retention



Analysis Workflow

Initial raw data



Segmentation

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Session dataset containing ~5.4M records

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Data filtering

Kept only sessions **after 01/01/2023** (Final working dataset: ~49K records)

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Exploratory Data Analysis (EDA)

- 1) **EDA at session level**
- 2) Aggregated sessions at user level (~6K users)
- 3) **EDA at user level**

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User segmentations

- 1) Booking and Travel Behaviour segmentation (based on trip duration, booking timing, and engagement)
- 2) RFM segmentation (recency, frequency, and spending level)



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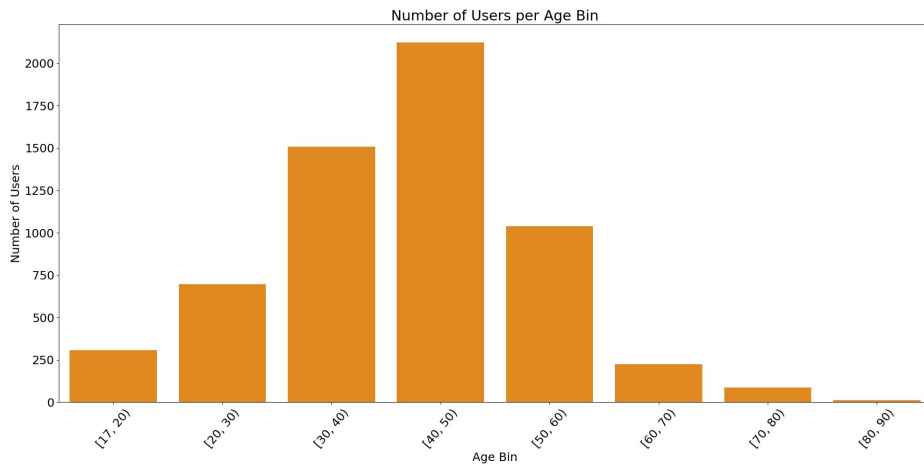
User segmentations

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Final outcome

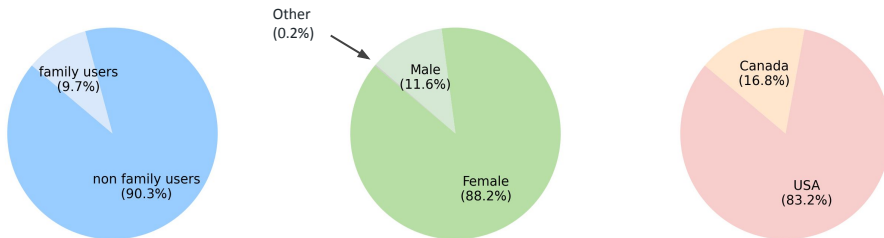
Combined both segmentations to assign relevant perks

Getting to Know Our Customers



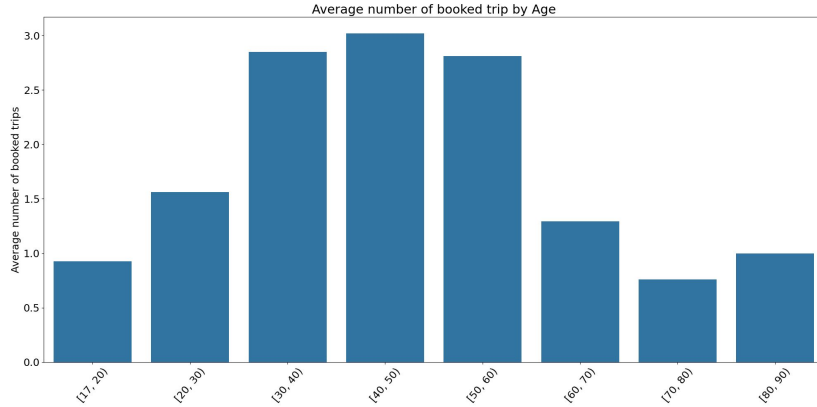
Customer Profile Highlights

- Majority aged 30–60, peak 40–50
- Mostly non-family travelers
- Predominantly female
- Mainly from the USA

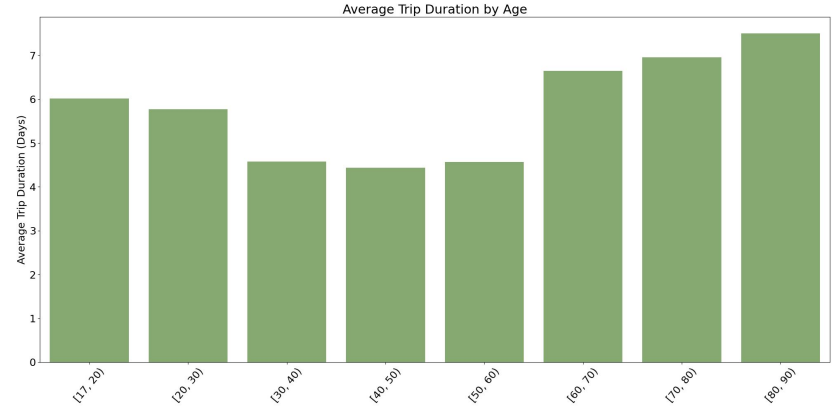


(A family user is someone who travels with children at least once every 3 trips)

Notable Trends in User Booking Behavior

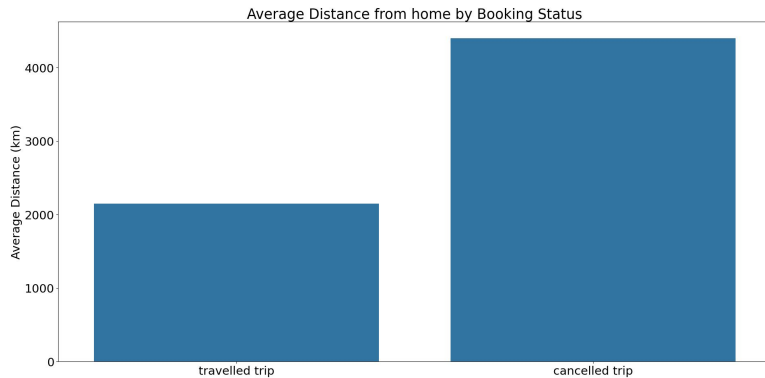


- Users < 30 and 60+ make fewer bookings on average.
- Users aged 30–60 have more frequent bookings.

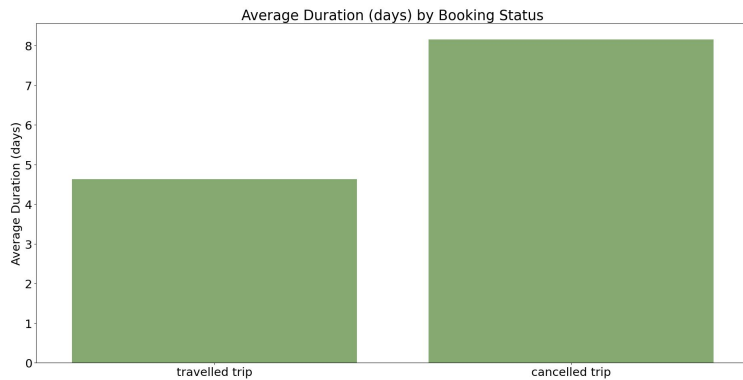


- Older users (60+) tend to take slightly longer trips.
- Trips in the 30–60 age group are slightly shorter on average.

Notable Trends in User Booking Behavior

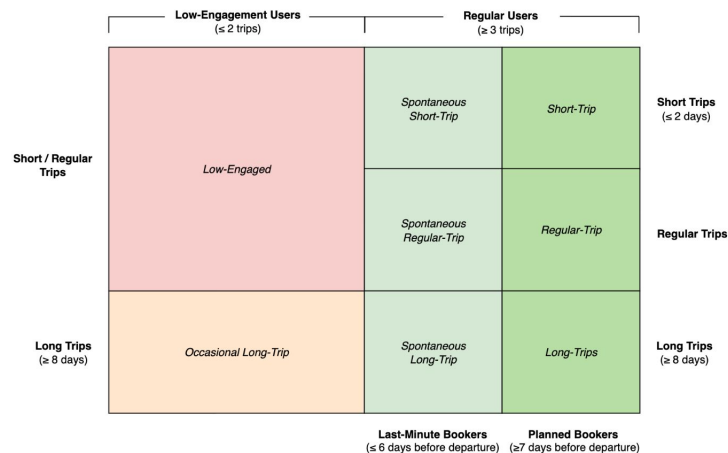


- Canceled trips tend to be longer in distance.
- Canceled trips tend to be longer in duration.



Segmentation: Criteria

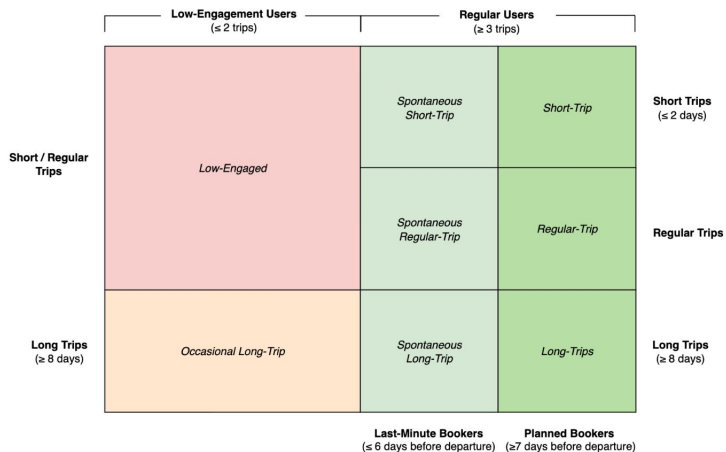
Booking and travel behaviour Segmentation



- 1) Divide based on the engagement:
- a) Low-Engagement (≤ 2 trips)
 - b) Regular Users (≥ 3 trips)

Segmentation: Criteria

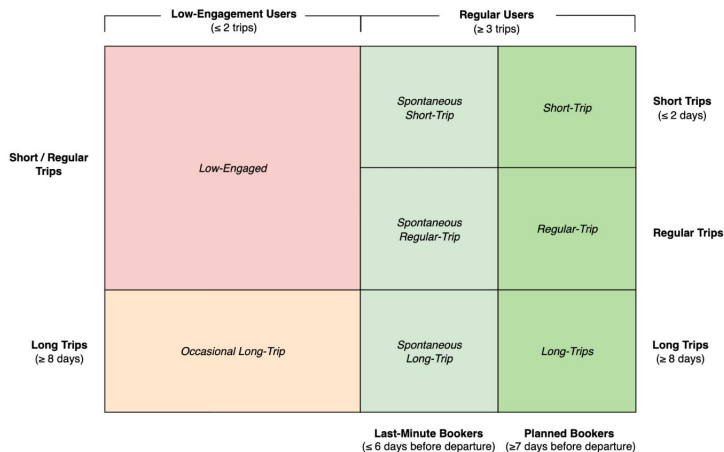
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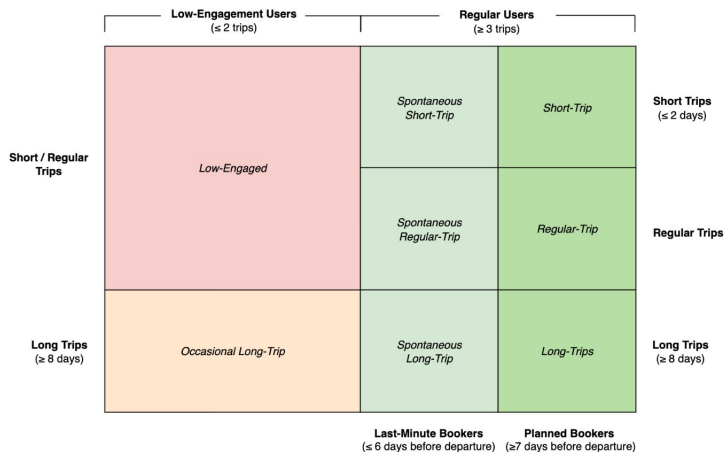
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 - a) Short-Trip (≤ 2 days)
 - b) Long-Trip (≥ 8 days)
 - c) Regular-Trip

Segmentation: Criteria

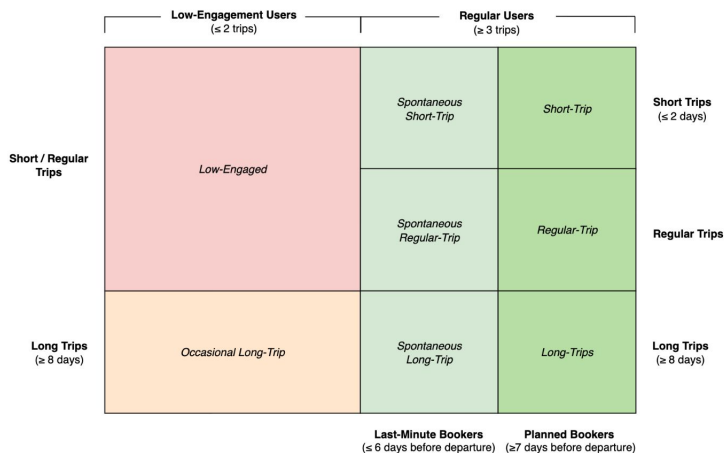
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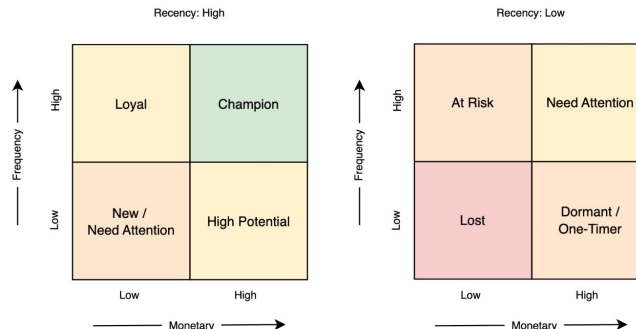
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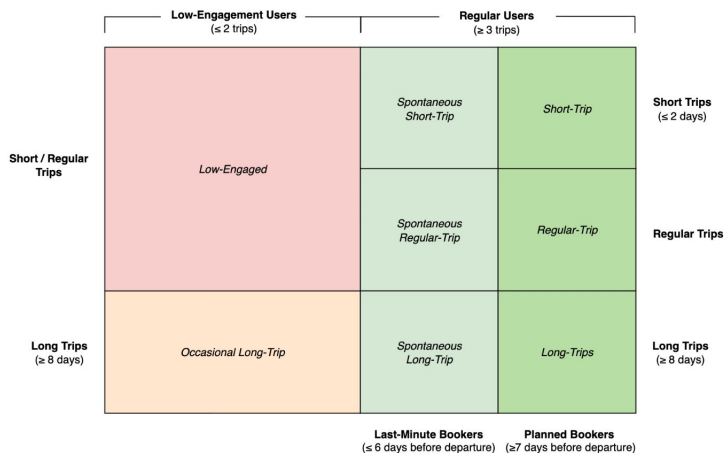
- 1) Calculate R, F and M scores for each user
- 2) Assign "low" / "high" labels
- 3) Split the users in 8 segments

RFM Segmentation



Segmentation: Criteria

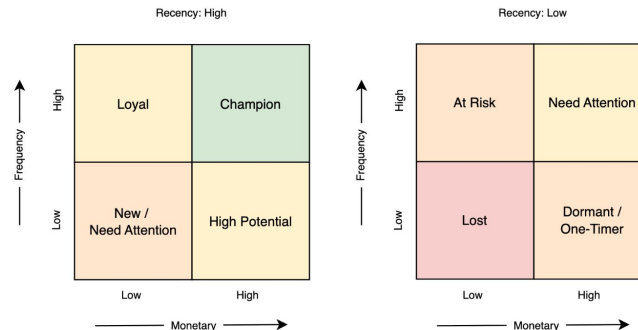
Booking and travel behaviour Segmentation



Both segmentations are applied simultaneously.

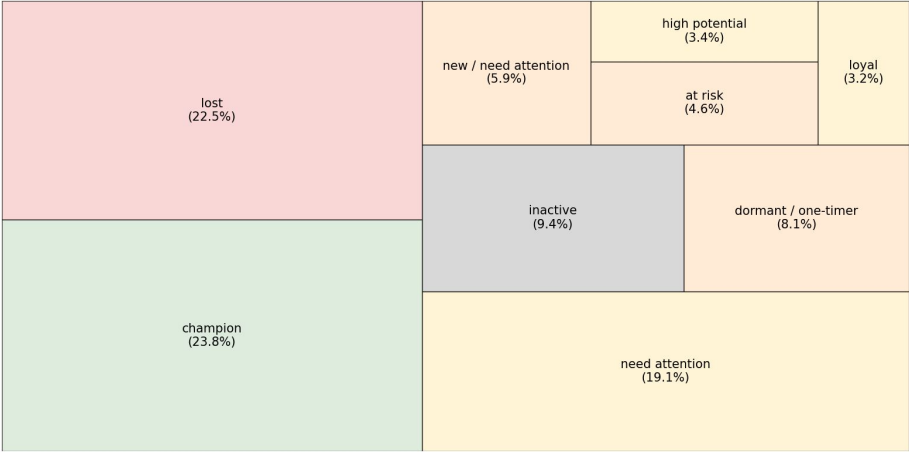
Each user is defined by a combination of RFM and “booking and travel behaviour”

RFM Segmentation



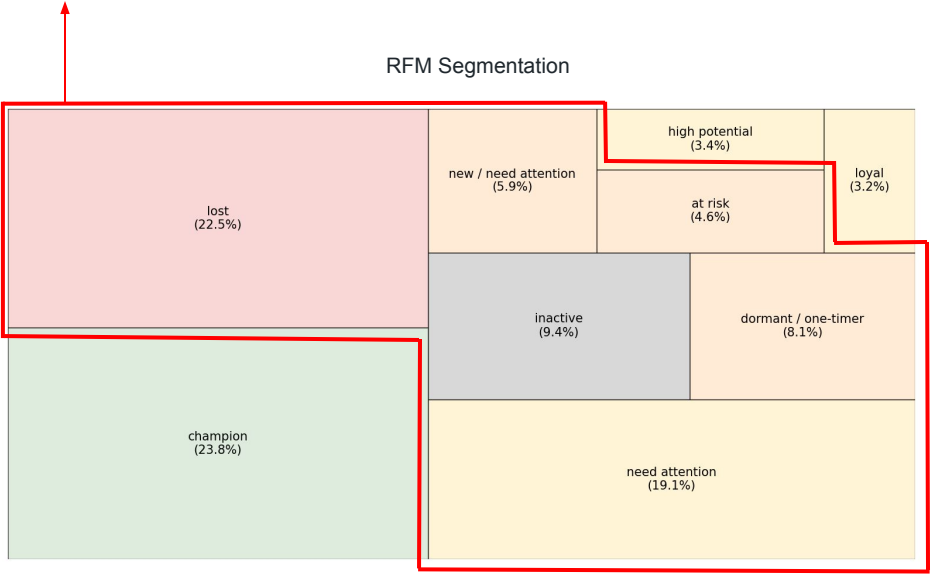
Segmentation: Users Distribution

RFM Segmentation



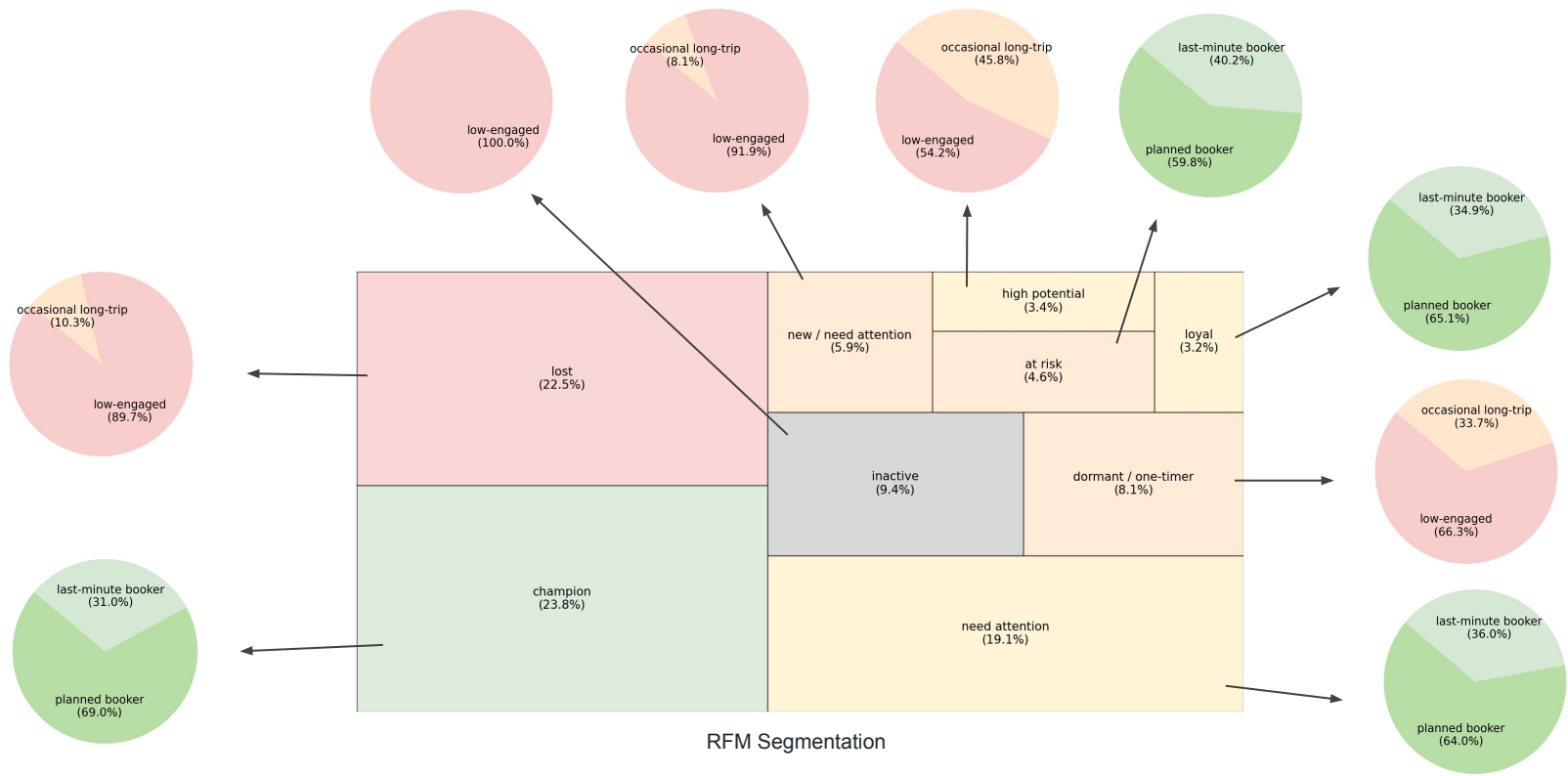
Segmentation: Users Distribution

Vulnerable Users: 69.6%



Segmentation: Users Distribution

Booking and travel behaviour Segmentation

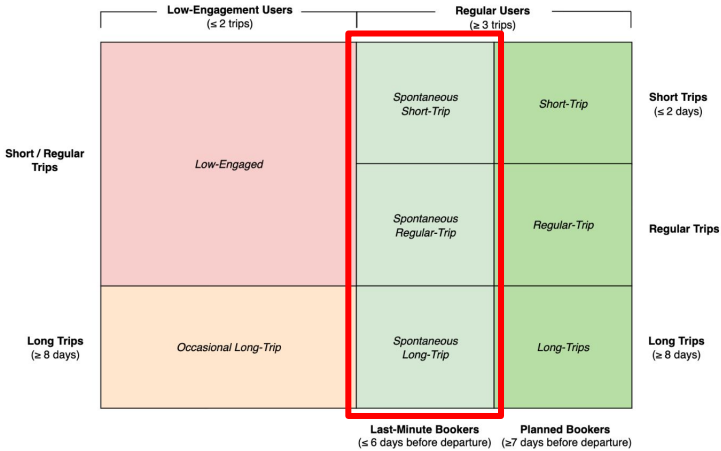


RFM Segmentation



Segmentation: Perks

Booking and travel behaviour segmentation

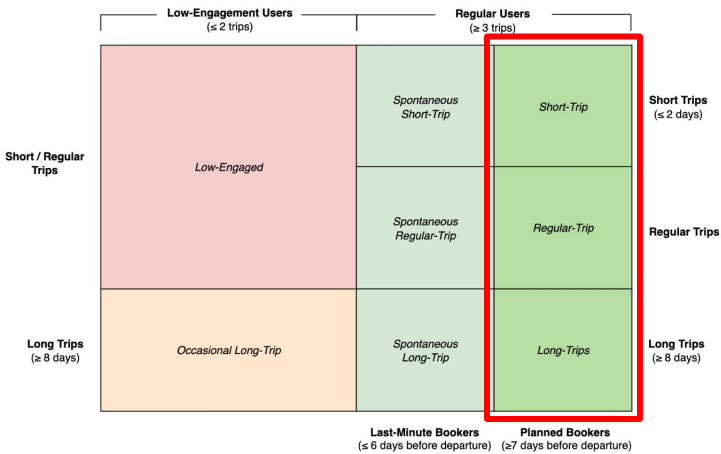


Type	Characteristics	Benefits
Last Minute Booker Perks	improve speed, low friction, and immediate risk reduction.	1) Priority real-time support 2) Simplified changes, cancellations, and rebooking 3) Pre-built packages by trip duration and family-ready options when applicable.



Segmentation: Perks

Booking and travel behaviour segmentation

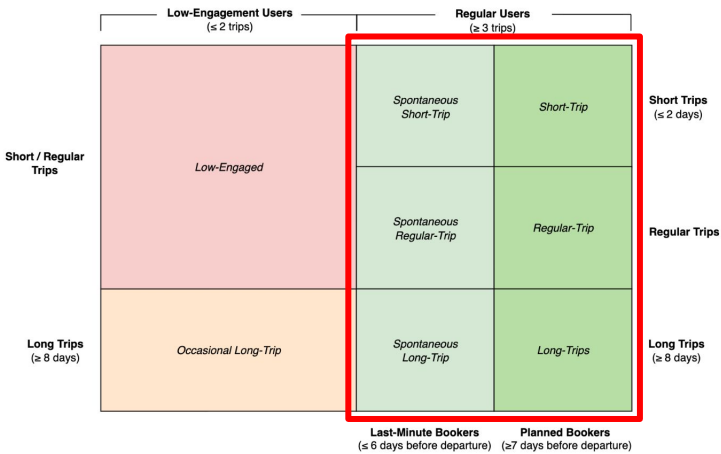


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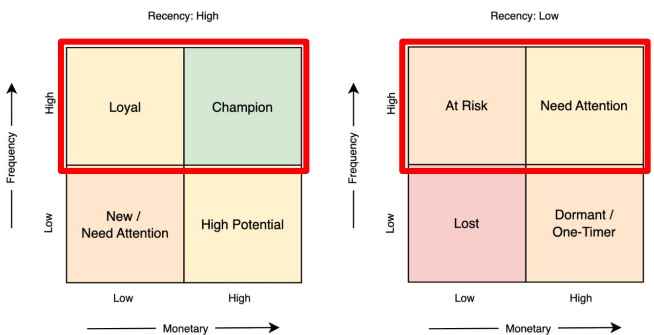


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Booking and travel behaviour segmentation



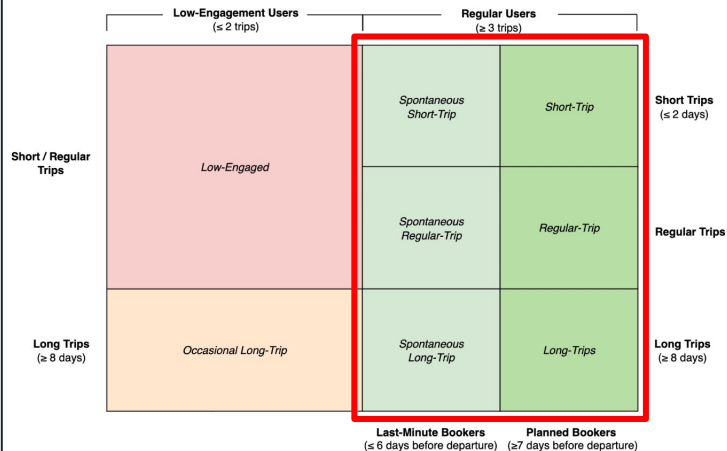
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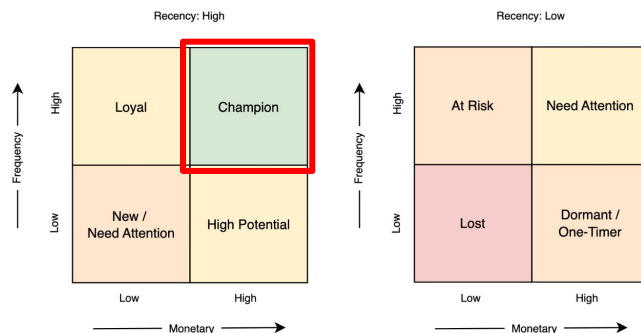
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RFM segmentation



Champions (31% Last-minute, 69% Planned bookers)

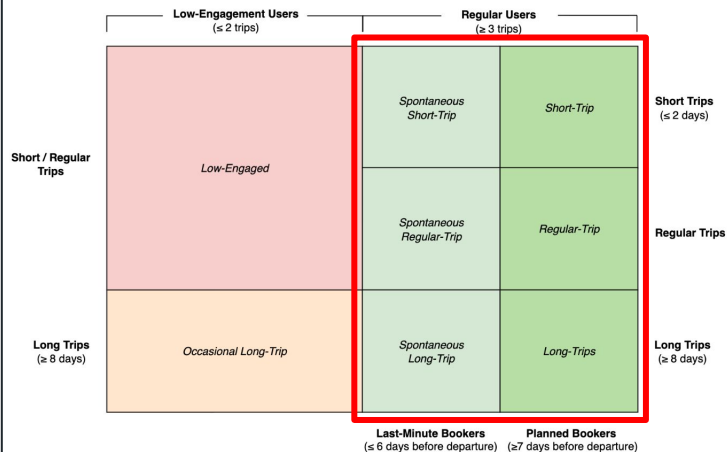
GOAL: reward loyalty and reinforce the sense of exclusivity.

HOW: Perks provided free of charge.

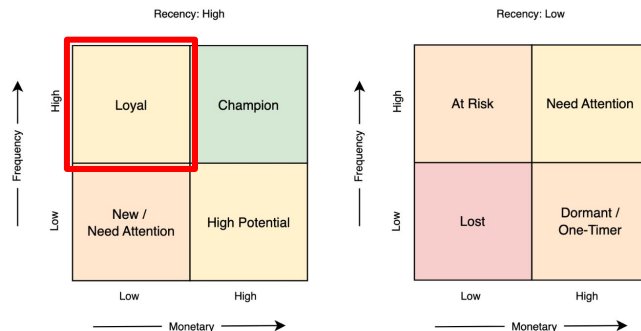
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GOAL: reward loyalty and reinforce the sense of exclusivity.

HOW: **Perks provided free of charge.**

Loyal (35% Last-minute, 65% Planned bookers)

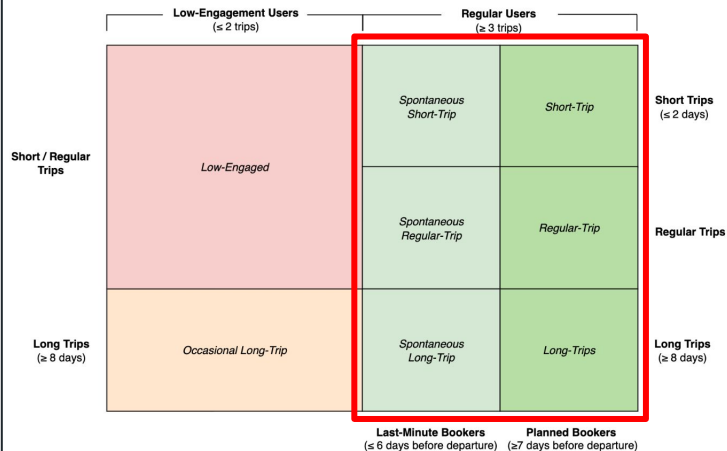
GOAL: To encourage them to spend more, making them feel privileged

HOW: **Perks with a loyalty-friendly discount**

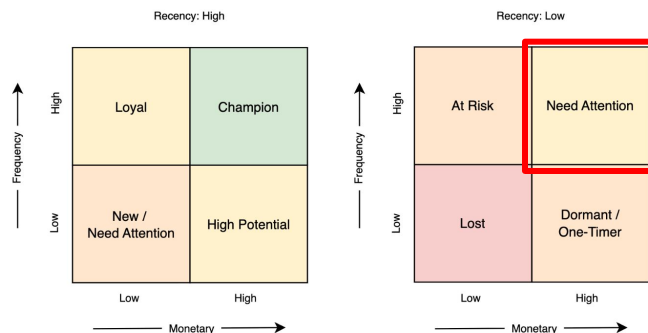
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HOW: **Perks with a loyalty-friendly discount**

Need Attention (36% Last-minute, 64% Planned bookers)

GOAL: reactivate them

HOW: **Perks temporarily free of charge**

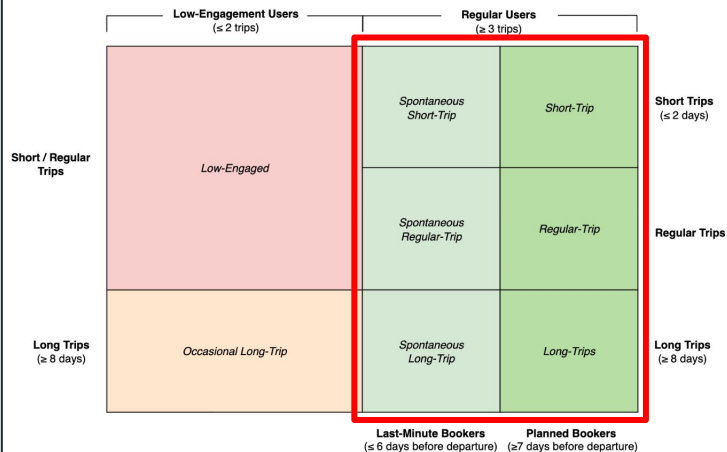
In addition: Time-Limited Discounts / Offers

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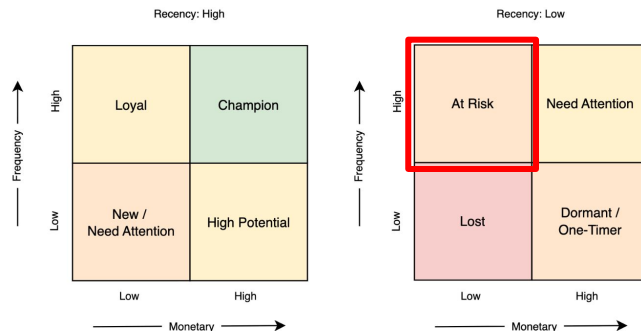


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HOW: **Perks with a loyalty-friendly discount**

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GOAL: reactivate them

HOW: **Perks temporarily free of charge**

In addition: Time-Limited Discounts / Offers

At Risk (40% Last-minute, 60% Planned bookers)

GOAL: reactivate them and eventually encourage them to spend more

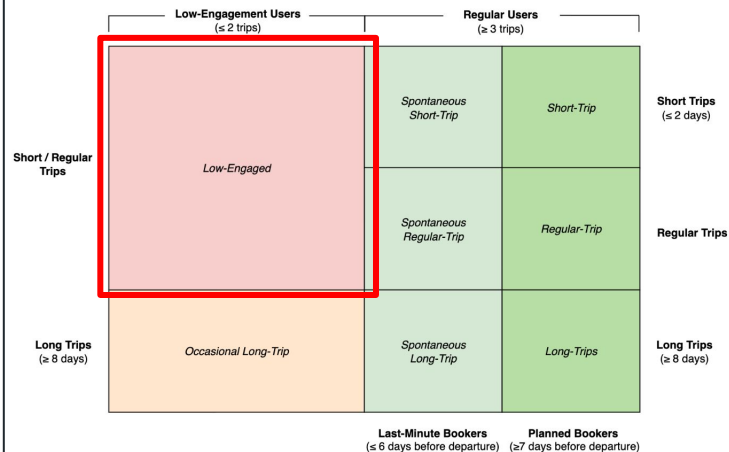
HOW: **Perks with a temporary discount**

In addition: Time-Limited Discounts / Offers

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Booking and travel behaviour segmentation

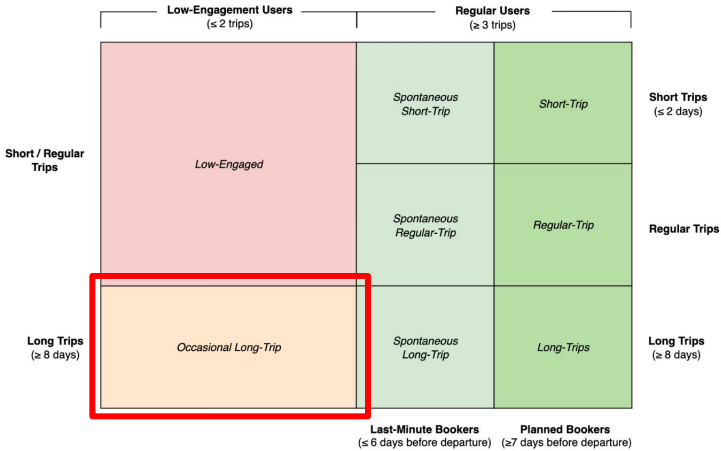


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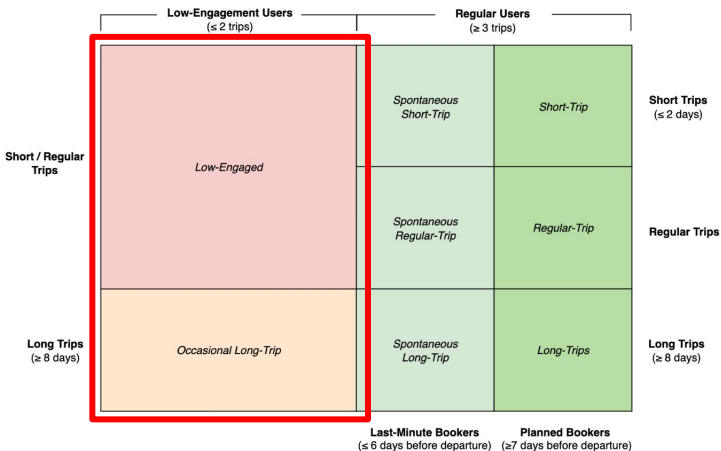


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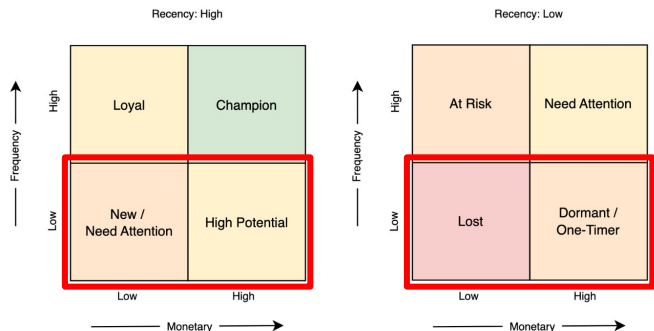


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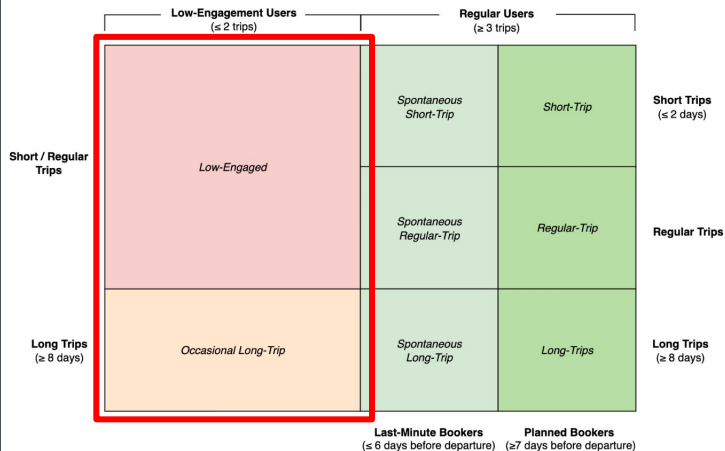
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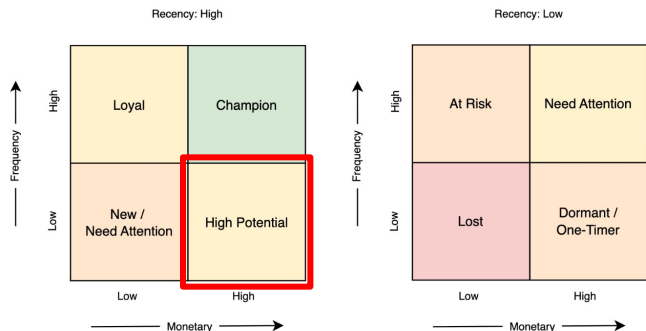
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High-Potential (54% Low-Engaged, 46% Occasional Long-trip)

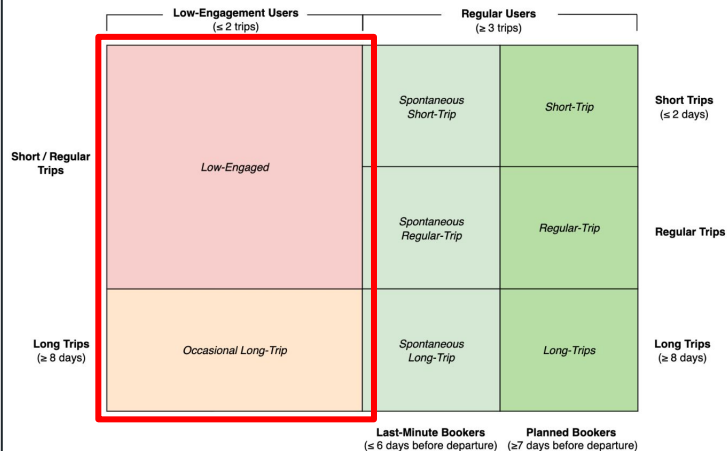
GOAL: slightly increase booking frequency or encourage/simplify next booking

HOW: **Proper Perks**

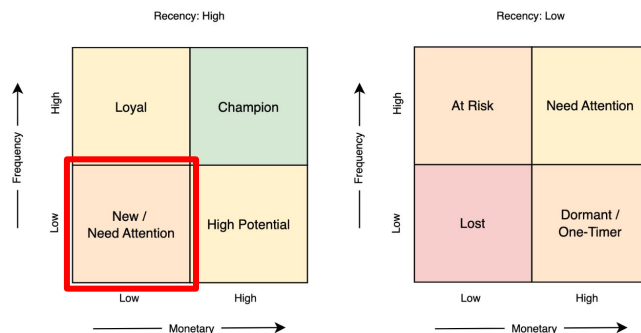
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HOW: **Proper Perks**

New / Need Attention (92% Low-Engaged, 8% Occasional Long-trip)

GOAL: encourage their next bookings to increase both monetary value and frequency.

HOW: **Proper Perks**

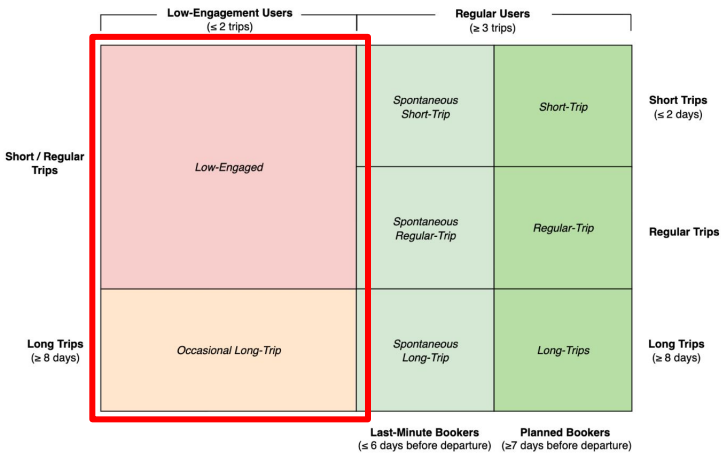
In addition: Onboarding programs to guide them through the platform

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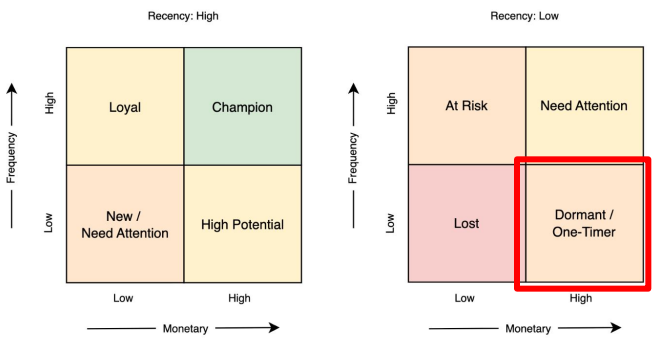


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HOW: **Proper Perks**

In addition: Onboarding programs to guide them through the platform

Dormant / One-Timer (66% Low-Engaged, 34% Occasional Long-trip)

GOAL: reactivate them with a new booking, and only afterwards focus on frequency.

HOW: **Time-Limited Offers**: small, short-term incentives on the next booking to create urgency

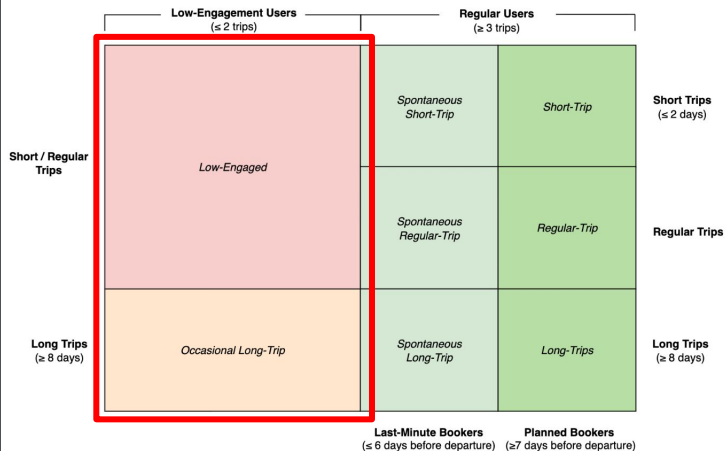
In addition: (after reactivation) Proper Perks

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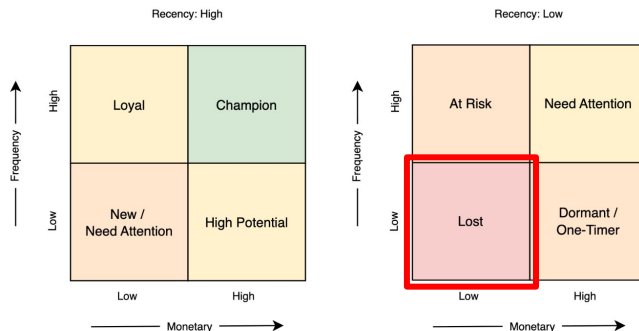


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HOW: **Time-Limited Offers**: small, short-term incentives on the next booking to create urgency

In addition: (after reactivation) Proper Perks

Lost (90% Low-Engaged, 10% Occasional Long-trip)

GOAL: test their reactivation

HOW: **Time-Limited Offers**: small, short-term incentives on the next booking to create urgency

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Conclusions

Project goal: design a personalized rewards program through customer segmentation to improve customer retention

Data used: user dataset containing ~6K records

Segmentation approach:

- Booking and travel behaviour segmentation (trip characteristics, booking timing, engagement level)
- RFM segmentation (recency, frequency, monetary value)

Results: Combined both segmentations to assign the most relevant perks to each user segment

Future improvements: include CLTV-based segmentation, more granular splits by age and other user attributes.

Conclusions

Project goal: design a personalized rewards program through customer segmentation to improve customer retention

Data used: user dataset containing ~6K records

Segmentation approach:

- Booking and travel behaviour segmentation (trip characteristics, booking timing, engagement level)
- RFM segmentation (recency, frequency, monetary value)

Results: Combined both segmentations to assign the most relevant perks to each user segment

Future improvements: include CLTV-based segmentation, more granular splits by age and other user attributes.

Thank you for your attention!

Conclusions

Project goal: design a personalized rewards program through customer segmentation to improve customer retention

Data used: user sessions from 2023 onwards (~5.4M sessions) resulting in a final user-level dataset of ~6K users

Data preparation: data cleaning, consistency checks, and feature engineering (e.g. age, trip duration, trip distance)

Analysis: exploratory data analysis at both session and user level to uncover key behavioral insights

Segmentation approach:

- Booking and travel behaviour segmentation (trip characteristics, booking timing, engagement level)
- RFM segmentation (recency, frequency, monetary value)

Results: Combined both segmentations to assign the most relevant perks to each user segment

Project Presentation

Who are we?

TravelTide is a fast-growing online travel platform that helps users plan personalized trips. It combines AI and travel expertise to suggest personalized itineraries, find deals, and reduce the stress of travel planning.

What are we good at?

TravelTide is very effective at attracting users thanks to its large inventory and powerful search.

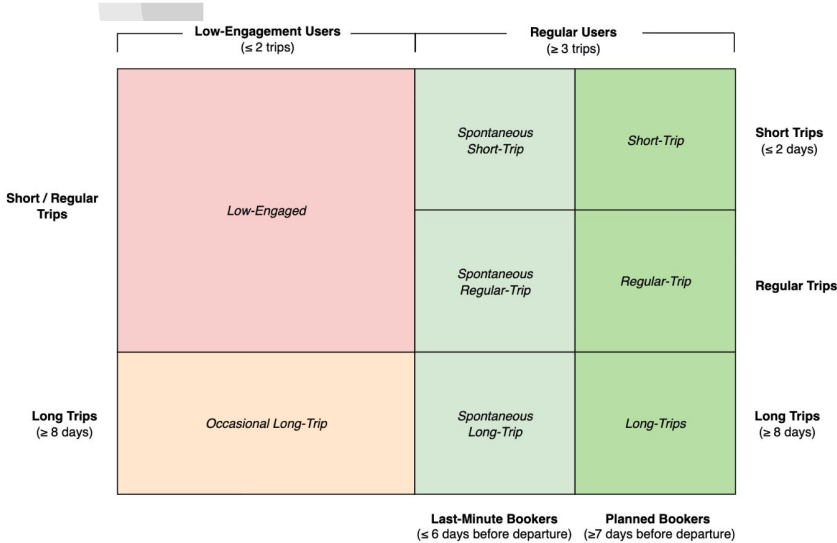
What is our main weakness?

However, many users do not return after their first bookings, making customer retention a key challenge.

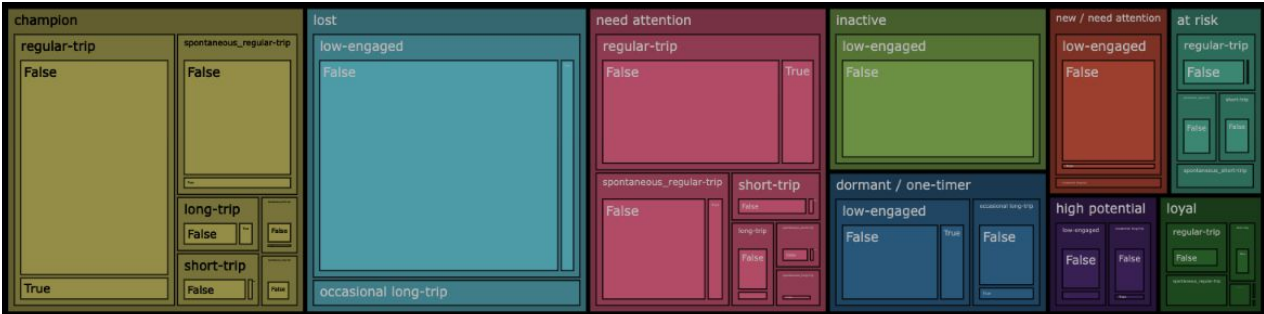
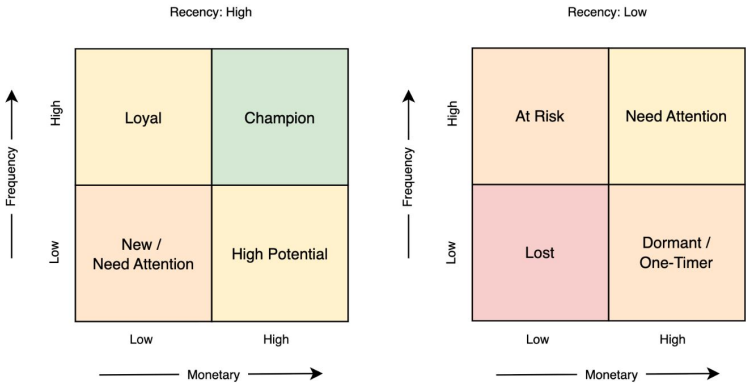
Project Goal

The goal of this project is to support the design of a personalized rewards program by identifying meaningful customer segments and assigning each user the perk they are most likely to find useful and appealing.

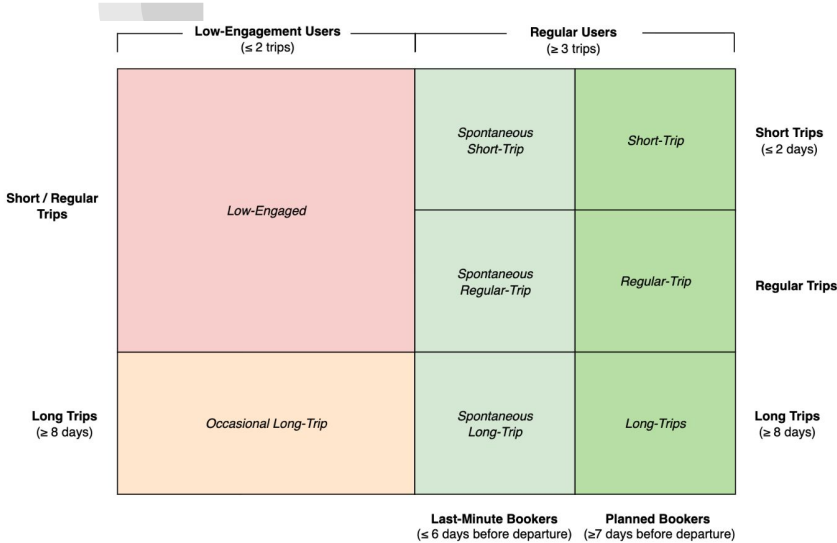
Booking and travel behaviour segmentation



RFM segmentation

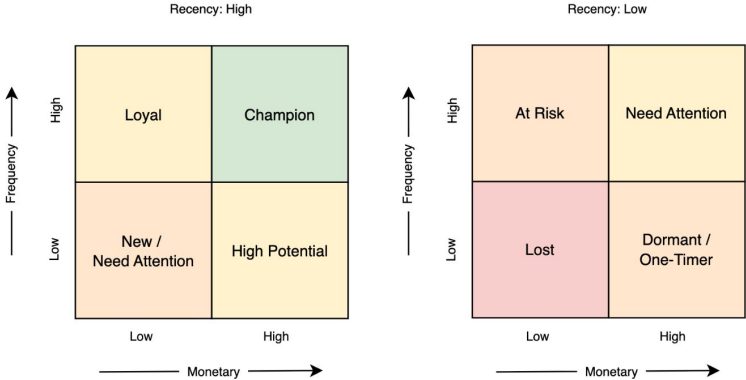


Booking and travel behaviour segmentation

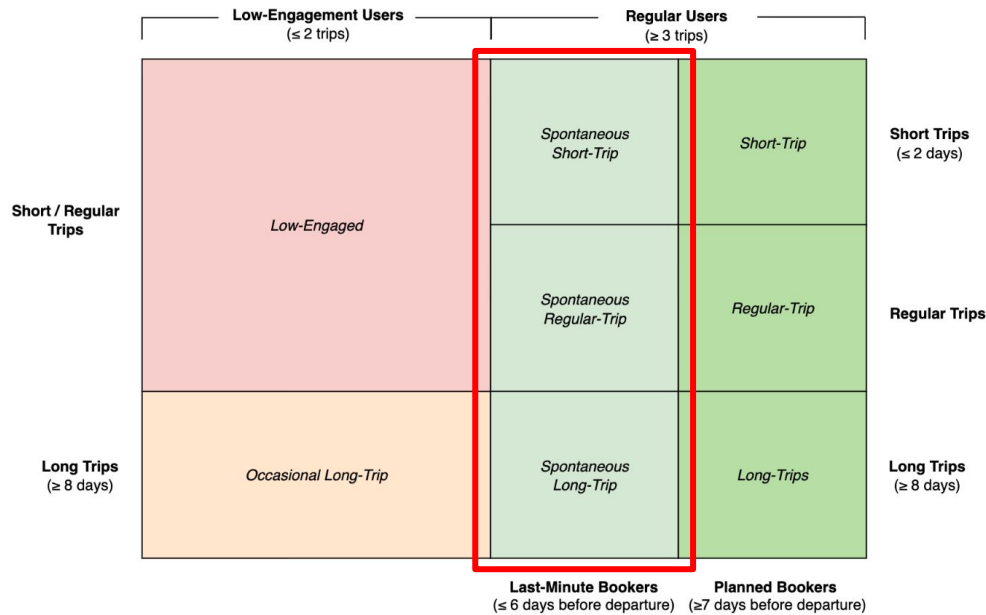


Create perks for each of these segments

RFM segmentation



Apply these perks differently based on RFM segmentation

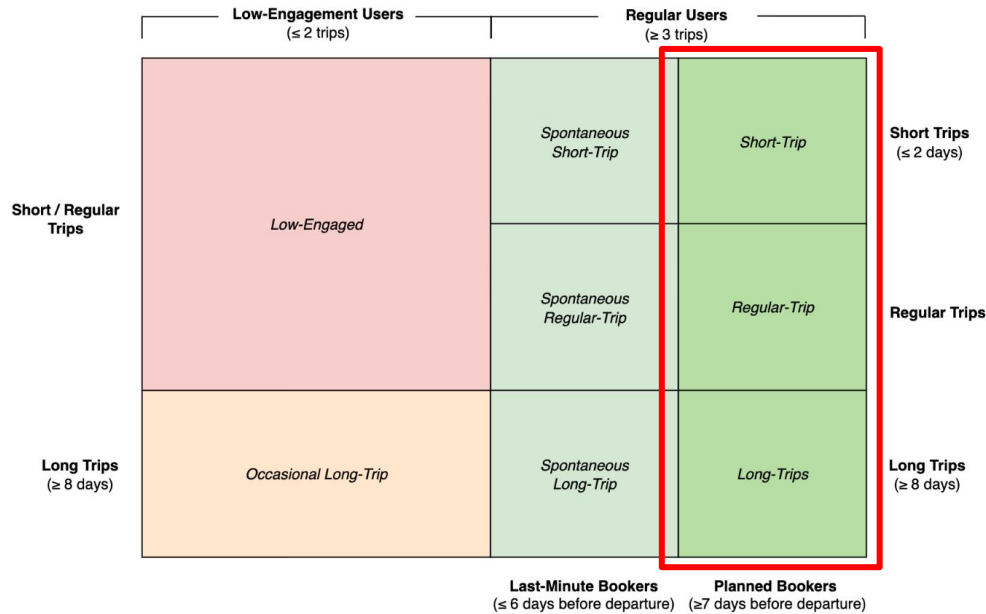


Last Minute Bookers Perks

These users value speed, low friction, and immediate risk reduction.

Key privileges:

- **Priority real-time support** for urgent needs.
- **Simplified changes, cancellations, and rebooking**, with minimal steps.
- **Instant vouchers** instead of refunds, enabling immediate reuse.
- **Split rebooking for regular and long trips**, enabling partial changes without cancelling the entire booking.
- **Pre-built packages by trip duration** (short, regular, long) and **family-ready options** when applicable, making the booking process faster and smoother.

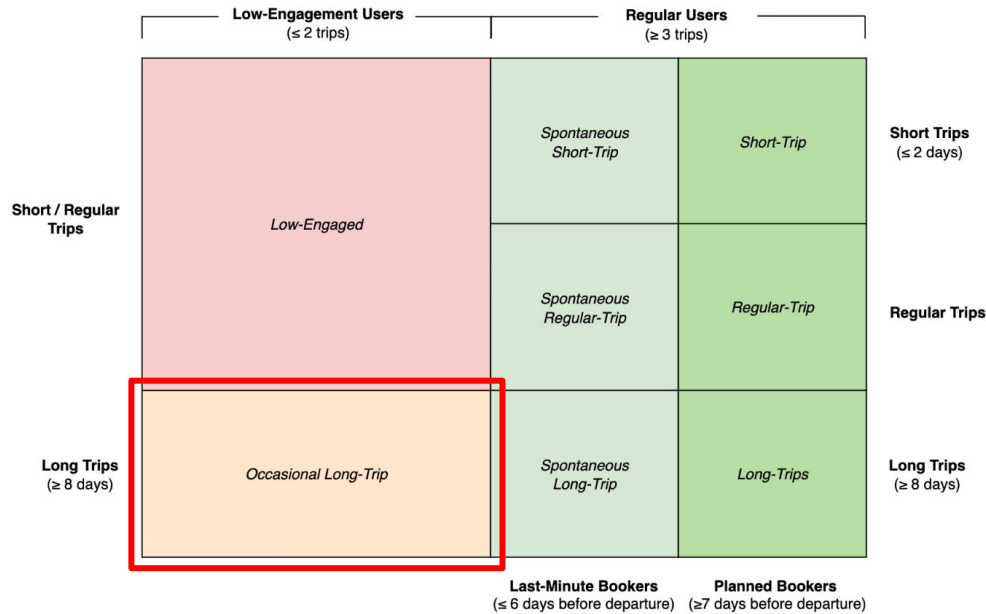


Planned Bookers Perks

For non last-minute users, the focus is on rewarding their planning behavior with control and comfort rather than urgency.

Key privileges:

- **Early and priority access** to selected offers and availability.
- **Greater flexibility**, with easier changes during the planning phase.
- **The ability to hold or lock travel options** for a limited time before booking.
- **Early check-in and late check-out** to enhance overall travel comfort.
- **Pre-built packages by trip duration** (short, regular, long) and **family-ready options** when applicable, enhancing convenience and easing trip planning.



Occasional Long-Trip Perks

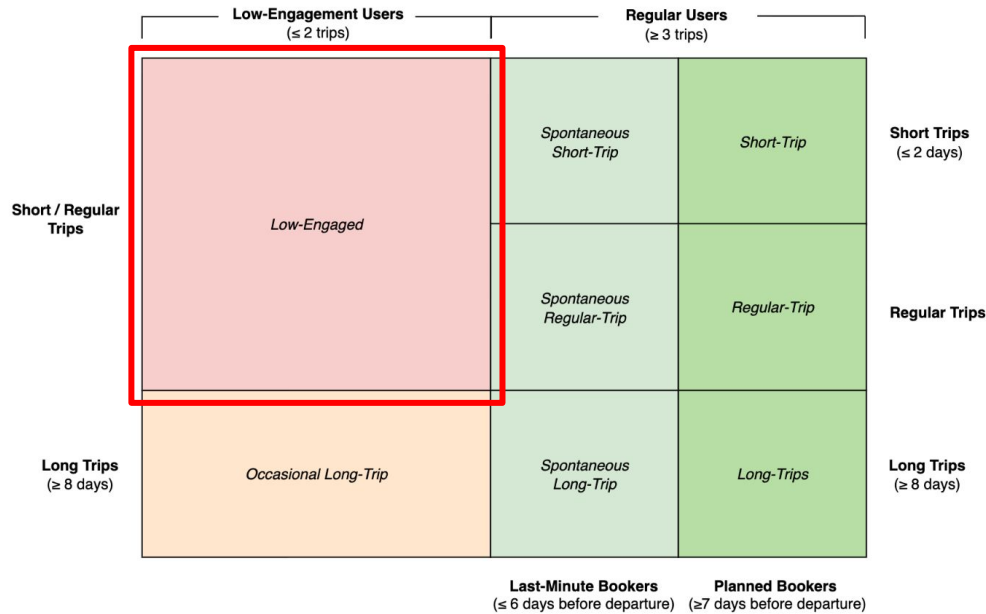
For these users, **low engagement is likely a natural behavior** due to their travel style and may be difficult to significantly change.

Perks should aim to make the booking of their next occasional long trip as smooth and convenient as possible:

- **Pre-Built Packages**, including **family-oriented options** when traveling with children.

and also try to gently increase engagement:

- **Soft Repeat-Purchase Benefits**: small incentives to reward any extra bookings.
- **Occasional Time-Limited Offers**: short-term promotions for shorter trips to stimulate engagement.



Low-Engaged Users Perks

For these users, the main challenge is their low engagement, with few trips overall.

To encourage more bookings, perks focus on:

- Repeat-Purchase Benefits:** small incentives for repeated bookings, e.g., after X trips, get priority support, flexible vouchers, or minor travel upgrades.
- Time-Limited Offers:** short-term promotions on flights or hotels to create urgency and stimulate additional bookings.

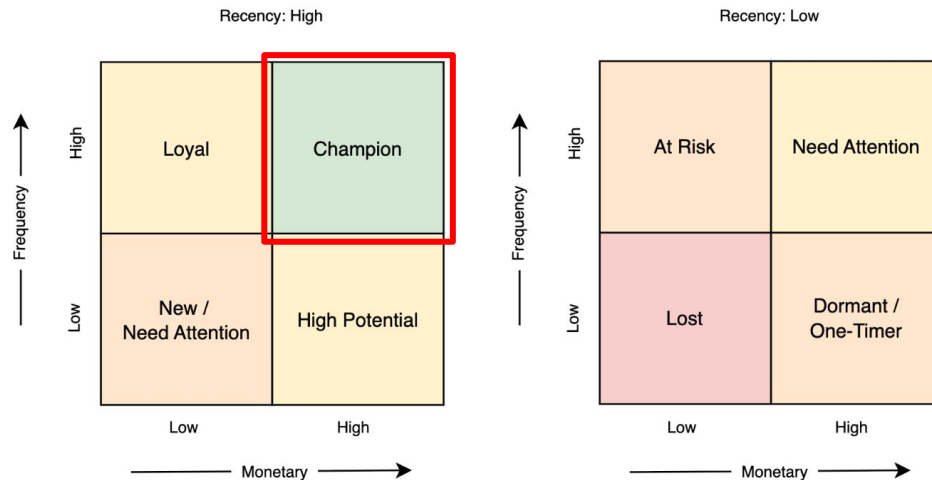
focus is on
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s are provided **free of charge**, matched to their
ing behavior:

- Last Minute / Spontaneous Bookers**
receive “Last-Minute Perks” for free
(e.g. *Priority real-time support, simplified changes/ cancellations, ...*)
- Planned Bookers**
receive “Planned Perks” for free
(e.g. *priority access to offers, early/late check-in/out, ...*)

ensures that each user gets benefits most relevant to how they book, enhancing convenience and the overall travel experience while strengthening loyalty.



champion					
regular-trip		spontaneous_regular-trip		long-trip	short-trip
False	True	False	True	False	False
				True	
					True
				spontaneous_short-trip	
				False	False
				True	True

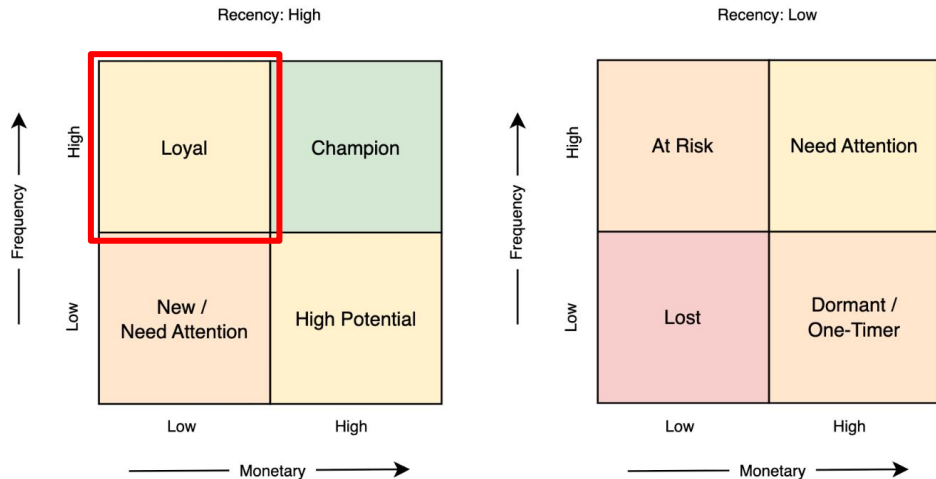
Loyal

For Loyal users, they already have high frequency and recency but lower monetary value.

To encourage them to spend more, we provide perks matched to their booking behavior, offered at a **paid rate with a loyalty-friendly discount**, making them feel privileged while increasing both their spend and loyalty:

- **Loyal Last Minute**
“Last-Minute Perks” at a discounted price
(e.g. *Priority real-time support, simplified changes/ cancellations, ...*)
- **Loyal Planned**
“Planned Perks” at a discounted price
(e.g. *priority access to offers, early/late check-in/out, ...*)

This approach rewards their loyalty while incentivizing higher spending, reinforcing engagement and perceived exclusivity.



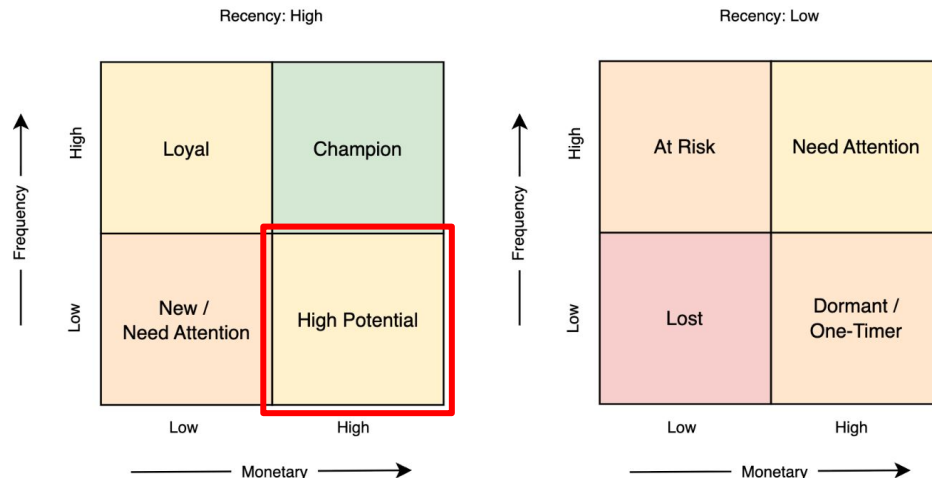
High-Potential

For High Potential users, the goal is to slightly increase booking frequency.

- **Low-Engaged** → increasing frequency is feasible;
Receive “Low-Engaged Perks”
(e.g. repeat-purchase benefits, temporary offers,...)
- **Occasional Long-Trip** → low frequency is likely a natural behavior due to their travel style, making frequency increases harder.

Receive “Occasional Long-Trip Perks”
(e.g. pre-built packages, soft repeat-purchase benefits, ...)

This approach aims to stimulate engagement where possible, while respecting the natural travel patterns of occasional long-trip users.



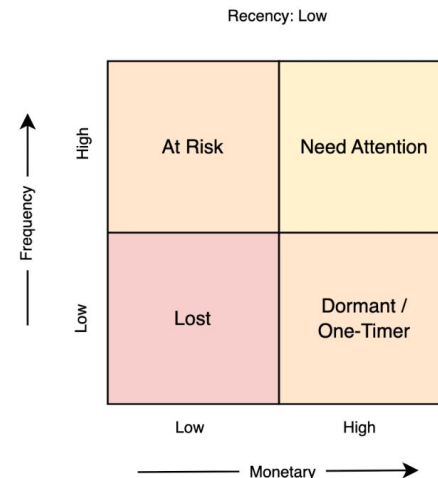
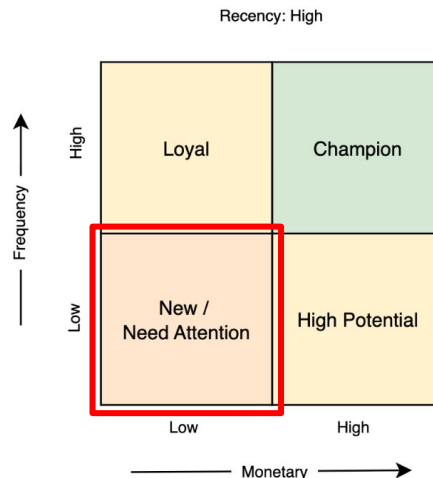
New / Need Attention

Since these users are new with low engagement, the goal is to encourage their next bookings to increase both monetary value and frequency.

Both Low-Engaged and Occasional Long-Trip users are treated the same, since we cannot yet determine if long-trip behavior is natural for these new users.

Key perks include:

- **“Low-Engaged Perks”** (e.g. *repeat-purchase benefits, temporary offers,...*)
- **Onboarding programs** to guide them through the platform
- **Pre-Built Packages** to simplify the booking process and make their first experiences easier and more appealing



new / need attention		occasional long-trip	
low-engaged		True	
False		False	

Need Attention

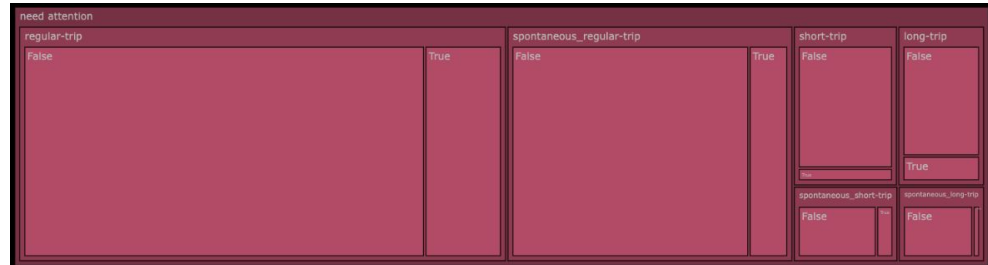
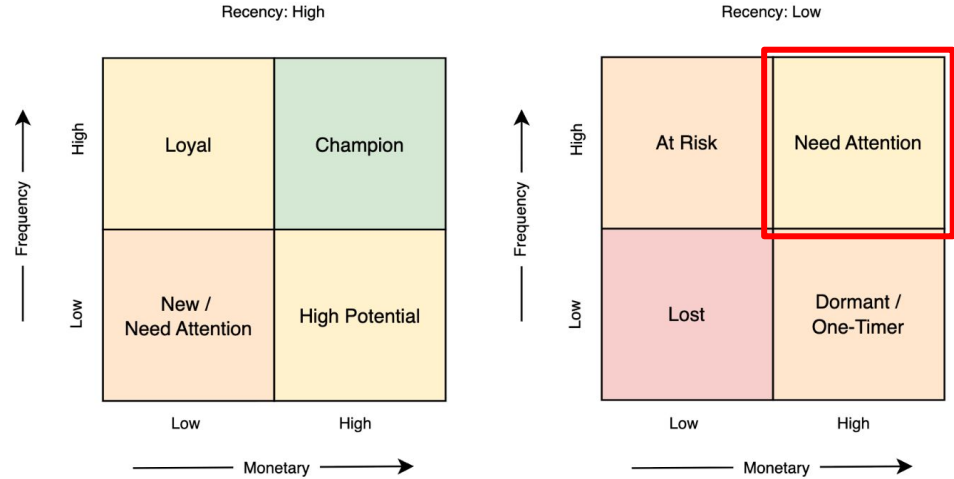
The goal is to reactivate them, renew their interest, and encourage quick bookings through **time-limited perks** that create urgency and incentivize the next purchase.

Last Minute / Spontaneous bookers

- **Time-Limited Discounts / Offers:** small, short-term incentives on the next booking to create urgency.
- **“Last-Minute Perks”** temporarily free of charge (e.g. *Priority real-time support, simplified changes/ cancellations, ...*)

Planned bookers

- **Time-Limited Discounts / Offers:** small, short-term incentives on the next booking to create urgency.
- **“Planned Perks”** temporarily free of charge (e.g. *priority access to offers, early/late check-in/out, ...*)



At Risk

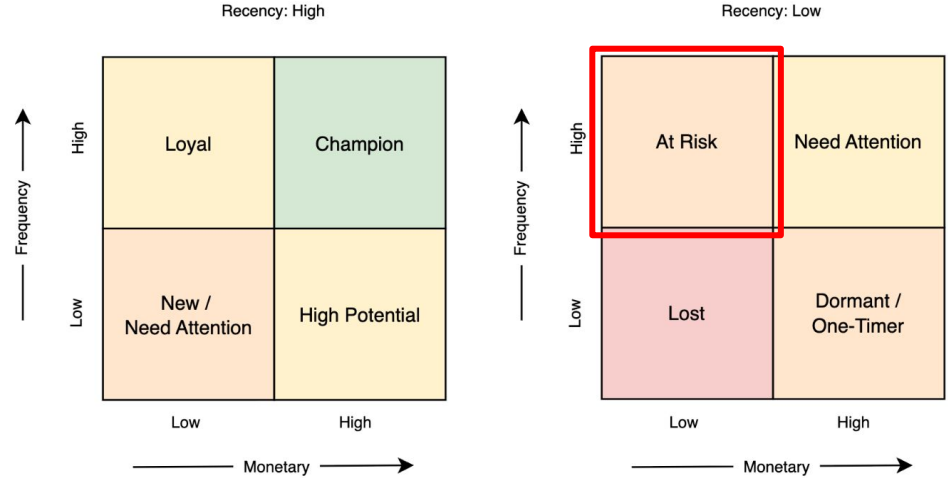
The goal is to reactivate them, renew their interest, and encourage quick bookings through **time-limited perks** that create urgency and incentivize the next purchase.

Last Minute / Spontaneous bookers

- **Time-Limited Discounts / Offers:** small, short-term incentives on the next booking to create urgency.
- **“Last-Minute Perks”** with a temporary discount (e.g. *Priority real-time support, simplified changes/ cancellations, ...*)

Planned bookers

- **Time-Limited Discounts / Offers:** small, short-term incentives on the next booking to create urgency.
- **“Planned Perks”** with a temporary discount (e.g. *priority access to offers, early/late check-in/out, ...*)



Dormant / One-Timer

These users have high past spend but low frequency and low recency, which puts them at high risk of churn.

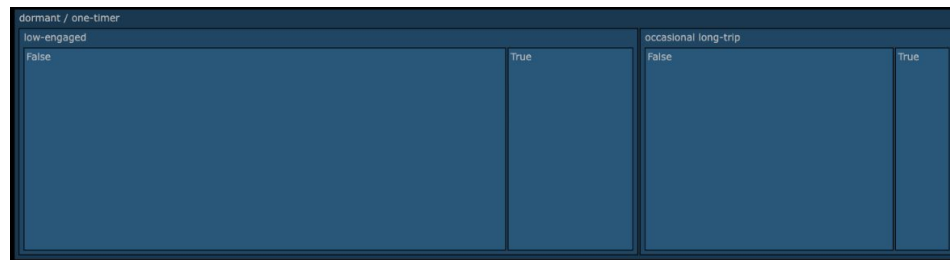
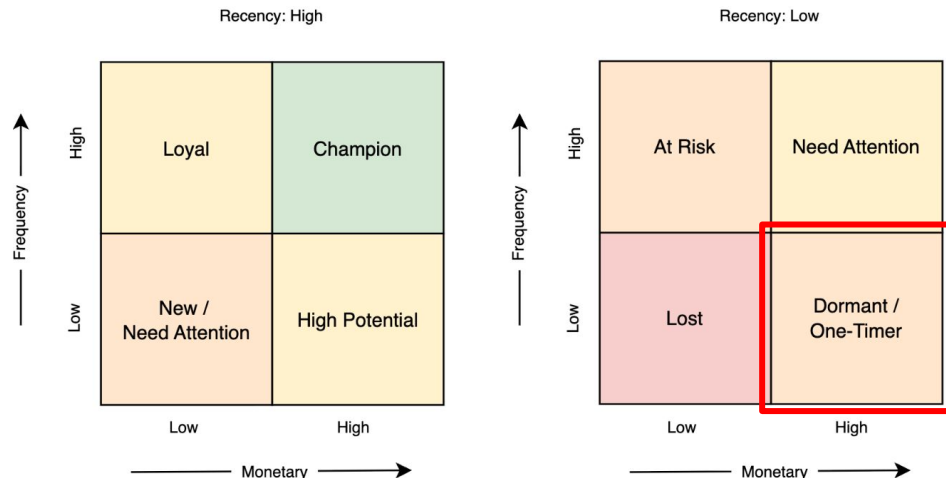
The priority is to re-activate them with a new booking, and only afterwards focus on retention.

Low-engaged users

- **Time-Limited Discounts / Offers:** small, short-term incentives on the next booking to create urgency
- **“Low-Engaged perks” (after reactivation)**

Occasional long-trip users

- **Time-Limited Discounts / Offers:** small, short-term incentives on the next booking to create urgency
- **“Occasional Long-Trip Perks” (after reactivation)**





Lost (low R, low F, low M)

Lost users have low recency, frequency, and monetary value and are largely disengaged from the platform. Investment in this segment should therefore be limited and controlled, as many of these users are unlikely to return.

The primary objective is simply to test reactivation. Key strategy:

- **Time-limited offers:** show users with offers tailored to past behavior

lost		
low-engaged		
False	True	occasional long-trip False

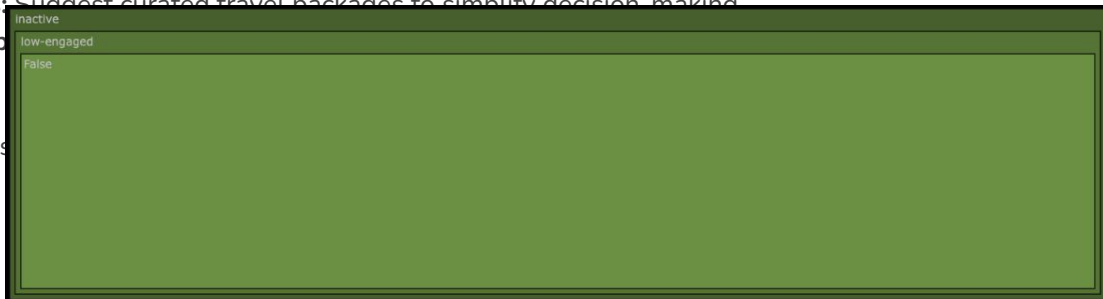


Inactive (no purchase)

Users who haven't made any purchases yet. Focus on guiding them to their first booking:

- **Onboarding:** Explain how the platform works, highlight key features.
- **Ready-to-book packages:** Suggest curated travel packages to simplify decision-making.
- **Small privileges or first-purchase discount:** Offer a small incentive to encourage the first booking.

Goal: make the first experience easy





Champion (high R, high F, high M)



For champions, we prefer privileges rather than discounts because they are already high-spending, loyal users. Discounts would cut into margins, while privileges enhance convenience, exclusivity, and the overall travel experience, reinforcing loyalty without reducing profitability.

1) Spontaneous short, regular and long trip

These users value speed, low friction, and immediate risk reduction. Key privileges:

- a) **Priority real-time support** for urgent needs.
- b) **Simplified changes, cancellations, and rebooking**, with minimal steps.
- c) **Instant vouchers** instead of refunds, enabling immediate reuse.
- d) **Split rebooking for regular and long trips**, enabling partial changes without cancelling the entire booking.

2) Short, Regular and Long trip

For non last-minute Champions, the focus is on rewarding their planning behavior with control and comfort rather than urgency.

Key privileges include:

- a) **Early and priority access to selected offers and availability.**
- b) **Greater flexibility**, with easier changes during the planning phase.
- c) The **ability to hold or lock travel options** for a limited time before booking.
- d) **Early check-in and late check-out** to enhance overall travel comfort.

For both, **pre-built packages** are displayed at checkout **by trip duration (short, regular, long)** and **as family-ready options** for users traveling with children, covering rooms, transfers, baggage, and flexibility upfront.



Loyal (high R, high F, low M)

Goal: encourage higher spend without using discounts - simplify their experience and offer helpful options during booking.

- **Micro-upsell:** small add-ons the customer may need, sold at full price. Examples: extra baggage, late/early check-in/out, travel insurance, priority support.
- **Bundle:** combine multiple services into one convenient package to encourage additional purchases, without discounting. Examples: flight + hotel, hotel + room upgrade + flexible check-out, weekend trip + city tour

The idea is to offer them, for a fee, the same benefits that are provided free to champions, but at a loyal-friendly discounted price.



High Potential (high R, low F, high M)

For High-Potential users, no discounts are needed since they already spend a lot; instead, small incentives can be used to encourage more frequent bookings.

1) Low-engaged

For these users, the main challenge is their low engagement, with few trips overall. To encourage more frequent bookings, we focus on:

- a) **Repeat-Purchase Benefits:** small incentives for repeated bookings, e.g., after X trips, get priority support, flexible vouchers, or minor travel upgrades.
- b) **Time-Limited Offers:** short-term promotions on flights or hotels to create urgency and stimulate additional bookings.

2) Occasional Long-Trips

For these users, low booking frequency is likely a natural behavior due to their travel style, and may be difficult to significantly change. However, we could still try to encourage additional bookings with:

- a) **Soft Repeat-Purchase Benefits:** small incentives to reward any extra bookings.
- b) **Occasional Time-Limited Offers:** short-term promotions for shorter trips to stimulate engagement.
- c) **Pre-Built Packages for Long Trips:** simplify and speed up planning for their next long trip, including **family-oriented options** when traveling with children, making booking easier and more appealing.



New / Need Attention (high R, low F, low M)

These users have low frequency and monetary value, so the goal is to get them to start or return to booking (increase frequency) and to encourage their first or early purchases (increase monetary value).

Key Strategies:

1. **Soft Repeat-Purchase Benefits:** small incentives for subsequent bookings, e.g., reward for completing a second trip.
2. **First-Purchase Benefits:** perks for initial booking, e.g., flexible voucher, free transfer, or early check-in.
3. **Onboarding & Simplification:** guide to using the platform, highlight key features, explain how to build trips efficiently.
4. **Pre-Built Packages:** ready-made travel options **for regular or long trips** based on early activity, including **family-oriented packages** when users travel with children, helping reduce decision effort without locking users to a specific travel style.



Need Attention (low R, high F, high M)

These users are already high-value customers — they spend a lot and book frequently — but have recently become inactive (low recency). The goal is to reactivate them, renew their interest, and encourage quick bookings.

Strategies:

1. **Time-Limited Discounts / Offers:** small, short-term incentives on the next booking to create urgency.
2. **Privileges / Benefits (Champion-style) temporarily free of charge**



At Risk (low R, high F, low M)

These users have purchased fairly often in the past but haven't engaged recently, and their average spend is low. They are at risk of churn, so the goal is to reactivate them and increase engagement.

Strategies:

1. **Time-Limited Discounts / Offers:** small, short-term incentives on the next booking to create urgency.
2. **Privileges / Benefits (Champion-style) with a temporary discount**



Dormant / One-Timer (low R, low F, high M)

Dormant / One-Timer users have high past spend but low frequency and low recency, which puts them at high risk of churn. The priority is to re-activate them with a new booking, and only afterwards focus on retention.

- 1) Low-engaged users
 - a) **Time-limited offers:** short-term incentives on the next booking to create urgency and bring them back quickly.
 - b) **Repeat-purchase benefits (after reactivation):** light rewards to encourage continued bookings once activity resumes.

- 2) Occasional long-trip users
For these users, low frequency could be natural, as they typically book occasional long trips. However, engagement still needs to be reactivated.

- a) **Time-limited offers**
- b) **Soft retention levers**
long-trip packages

dormant / one-timer			
low-engaged		occasional long-trip	
False	True	False	True