

## Project Goal

Design a personalized rewards program by segmenting users based on their behavior and value, with the aim of increasing customer engagement and retention.

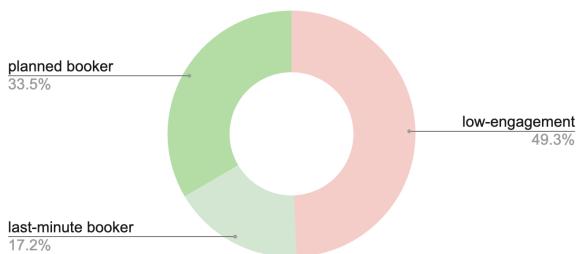
## Segmentation

Two complementary segmentations are used to capture user heterogeneity. The first, **Booking and Travel Behaviour**, creates two main classes: **Regular Users** and **Low-Engagement Users**. Regular Users are further divided into **Last-Minute Bookers** and **Planned Bookers**, and then split by trip length into Short, Regular, and Long trips. Low-Engagement Users are split into **Low-Engaged** and **Occasional Long-Trip** segments. This hierarchical approach produces segments that reflect differences in engagement, booking patterns, and travel intensity.

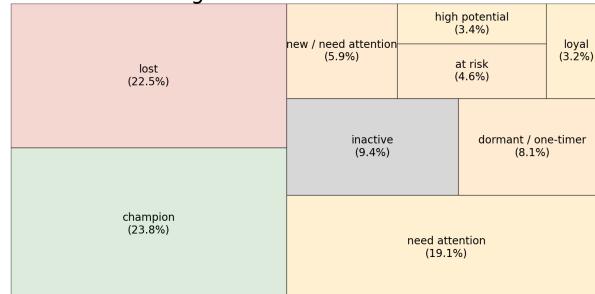
The second, **RFM segmentation**, evaluates users by Recency, Frequency, and Monetary value. Scores are simplified into high/low labels, producing eight relative segments: Champion, Loyal, At Risk, Need Attention, New / Need Attention, High Potential, Dormant / One-Timer, and Lost. This segmentation highlights differences in user value and lifecycle stage.

Combined, these segmentations provide a granular and actionable view of the user base, supporting targeted assignment of rewards and perks.

Booking and Travel Behaviour Segmentation: User distribution



RFM Segmentation: User distribution



## Perks Allocation by User Segment

Perks and benefits for TravelTide users are defined in two steps: the type of perk is chosen based on the Booking and Travel Behaviour segments, while the delivery method (free, discounted, or paid) is tailored to the user's RFM segment.

A key observation from the segmentations is that all users in the four high-frequency RFM segments (Champions, Loyal, At Risk, Need Attention) belong to Regular Users, whereas users in the four low-frequency segments (New / Need Attention, High Potential, Lost, Dormant) fall entirely within Low-Engagement Users.

## Regular Users

Type	Goal	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.
Planned Booker Perks	Comfort and Convenience	1) Priority access to offers. 2) The ability to hold or lock travel options for a limited time before booking. 3) Pre-built packages by trip duration and family-ready options when applicable.

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

GOAL: reward loyalty and reinforce the sense of exclusivity.

STRATEGY: Perks aligned with the user's Booking & Travel Behaviour, provided free of charge.**Loyal (35% Last-minute, 65% Planned bookers)**

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

STRATEGY: Perks aligned with the user's Booking & Travel Behaviour, with a loyalty-friendly discount**Need Attention (36% Last-minute, 64% Planned bookers)**

GOAL: reactivate them

STRATEGY: Perks aligned with the user's Booking & Travel Behaviour, 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

STRATEGY: Perks aligned with the user's Booking & Travel Behaviour, with a temporary discount *In addition:* Time-Limited Discounts / Offers

## Low Engagement Users

Type	Goal	Benefits
Low Engaged	encourage more bookings	1) Repeat-Purchase Benefits 2) Time-Limited Offers
Occasional Long-Trip	Low engagement is likely a <b>natural behavior</b> due to their travel style. Perks should aim to make the booking smooth and convenient.	1) Pre-Built Packages, including family-oriented options when traveling with children. 2) Time-Limited Offers: for shorter trips to stimulate engagement.

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

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

STRATEGY: Proper Perks aligned with the user's Booking &amp; Travel Behaviour

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

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

STRATEGY: Proper Perks aligned with the user's Booking & Travel Behaviour, *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.

STRATEGY: 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

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