

# TravelTide Segmentation

## Executive summary

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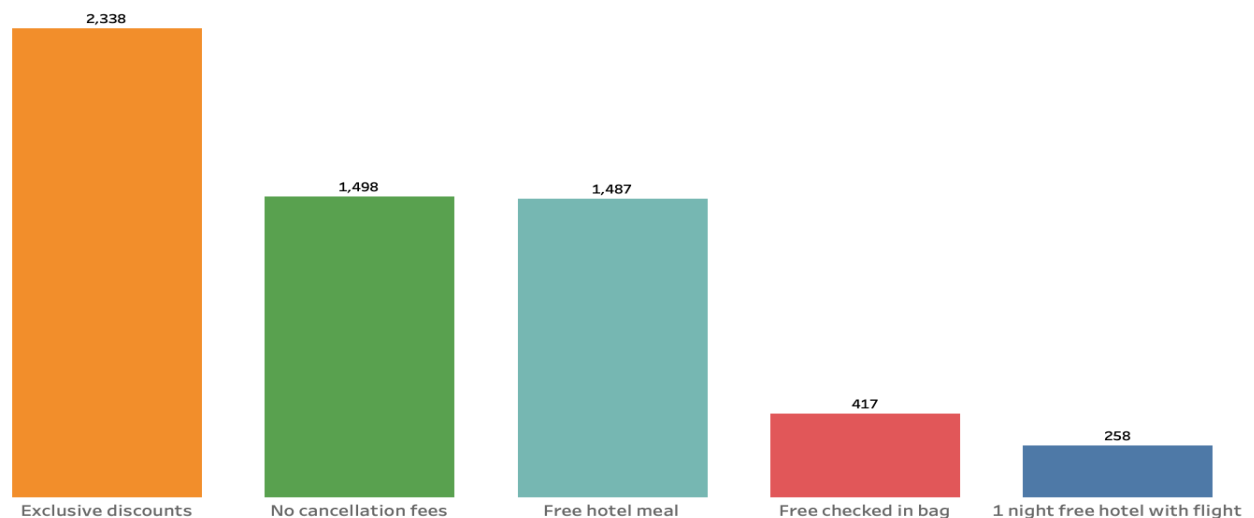
TravelTide is committed to providing its customers with the best possible experience.

To do this, I conducted a customer segmentation analysis for 5998 users with over 7 sessions over the past 6 months, which revealed five distinct customer segments:

Exclusive Discounts Perk, Free checked in bag perk, No cancellation fees perk, 1 night free hotel with flight perk, and Free hotel meal perk.

Using this information, TravelTide will be able to develop personal tailored perks for each segment and their needs. This will lead to increased customer satisfaction, loyalty, and advocacy.

It is important to emphasize that there are several grouping options. A user can fit into more than one group.



## **Key findings:**

The **exclusive discounts perk** is popular with users who don't book often, as well as users who don't meet the criteria for the other perks. In fact, this group are nearly 39% of total users. This suggests that TravelTide could consider offering a more general perk that appeals to a wider range of customers, which could lead to increased bookings and revenue.

**Free checked in bag perk:** 7% of total population are families with a careful planning approach and travel preferences often appreciate the free checked in bag perk. This suggests that TravelTide could offer tailored services and perks that resonate with this group, such as airport pickup service or car rental benefit.

**No cancellation fees perk:** 25% of total population are budget-conscious users that spend vast time on price research. The company could consider tailoring promotions and offers that appeal to this group, such as advance-booking discounts on flights and hotels.

**1 night free hotel with flight perk:** 4% of population are travelers who are users that book flight+hotel package deals. TravelTide could increase revenue from this group by offering promotions like a free hotel night when booking a full package.

**Free hotel meal perk:** 7% of population are travelers who booked hotels multiple times but have received relatively less discounts than other users. TravelTide could enhance the appeal of this perk by providing more attractive discounts to encourage higher booking frequencies among this segment.

## **Recommendations**

Here are a few specific recommendations for how TravelTide can use the findings of the customer segmentation analysis to improve its bottom line:

- Introduce referral programs that offer referral incentives to encourage customers to refer friends and family. This is a cost-effective way to expand the customer base and reward loyal users.
- Introduce tiered loyalty programs that offer escalating benefits to high-engagement customers. This will help to cultivate long-term loyalty and advocacy, which can lead to increased customer lifetime value.

Furthermore, TravelTide should continue to invest in segmentation and personalization of its customers. Understanding the needs of each user can provide a more personalized and engaging experience for customers.