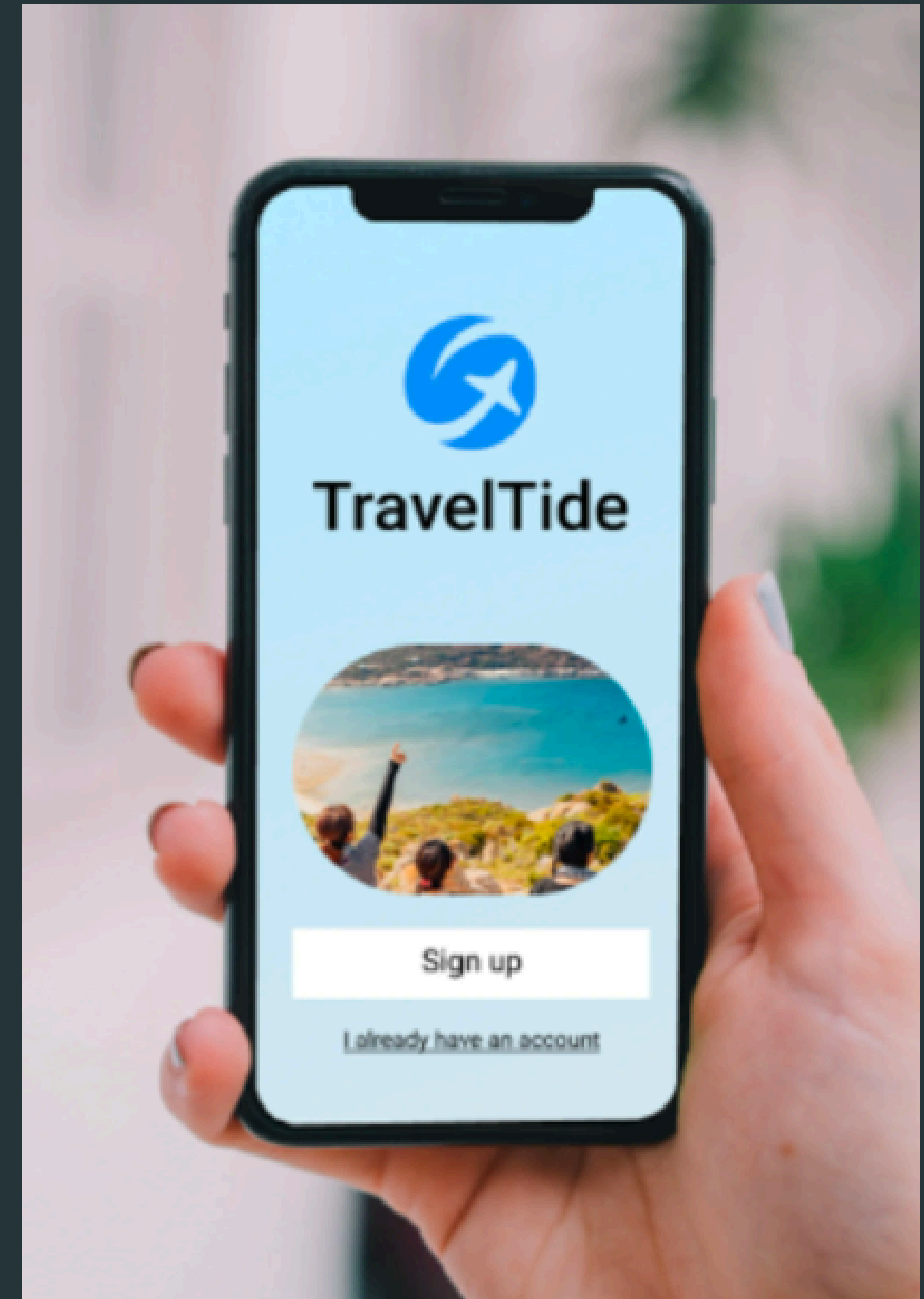




Customer Segmentation

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AGENDA

- Introduction
- Approach to Customer Segmentation
- Distribution Findings
- Analysis by Demographic Characteristics
- Conclusion
- Recommendations
- Resources



Goal of the Project

- The goal of the project is to determine the most appealing rewards for individual customers based on their behavior and preferences, subsequently categorizing customers into groups according to their preferred perks
- This groups will be used in personalized rewards program that keeps customers returning to the TravelTide platform



Approach to Customer Segmentation

To divide customers for each perk, we will need to identify which customers are most likely to be interested in each specific perk

Free Hotel Meal

- Identify customers who frequently book hotels
- **Metrics:** proportion of booking with hotel discounts, average saving per night, average discount

Exclusive Discounts

- Identify customers who actively seek and use flight discounts
- **Metrics:** Proportion of booking with flight discounts, average saving per km, average percentage discount

Free Checked Bags

- Identify customers who typically book flights with multiple checked bags
- **Metrics:** the average number of checked bags per flight

1 Night Free Hotel with Flight

- Identify customers who often book both flights and hotels together
- **Metrics:** Proportion of booking combination of flight and hotel compared to all bookings

No Cancellation Fees

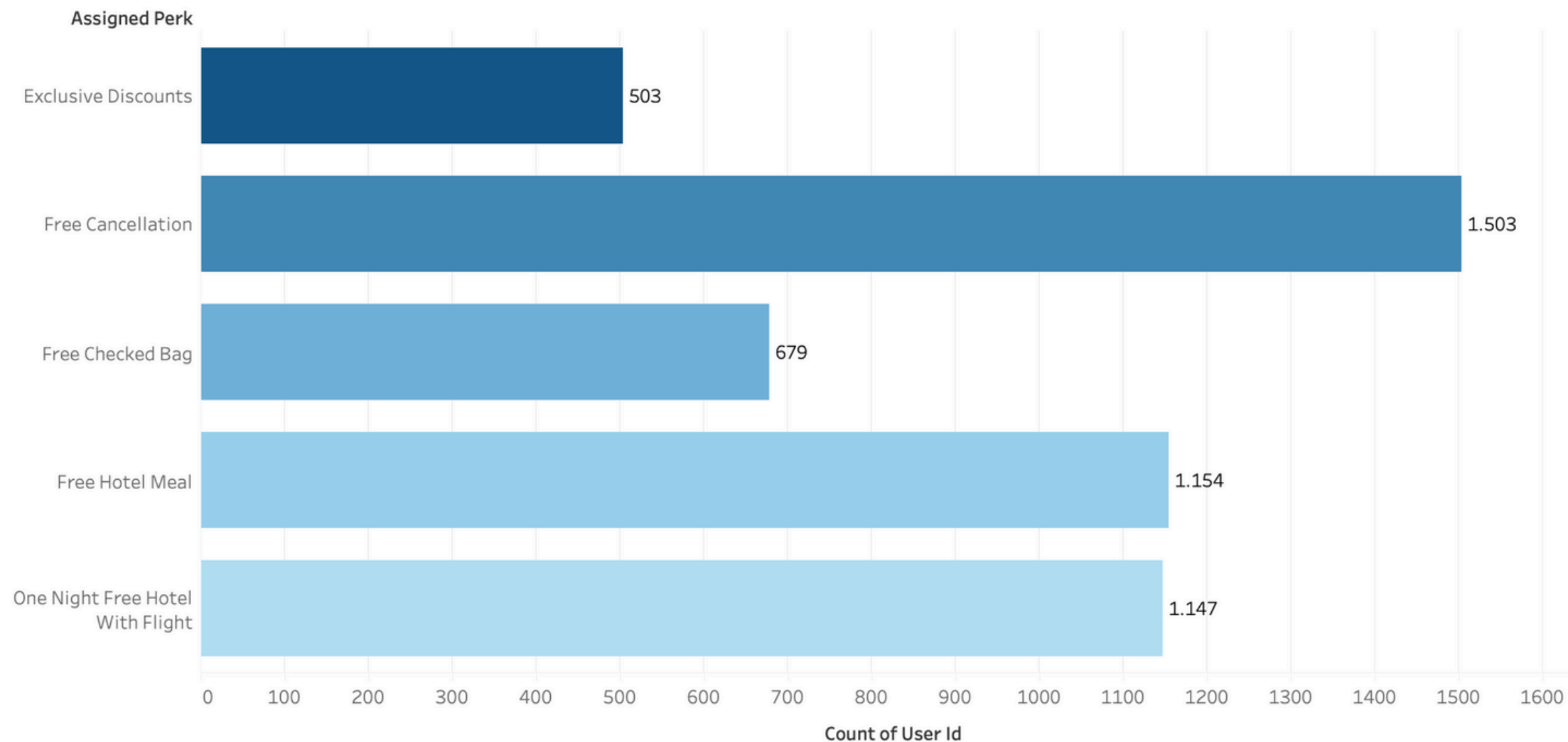
- Identify customers who frequently cancel trips
- **Metrics:** percentage of booked flights or hotels that were canceled

Distributions Findings



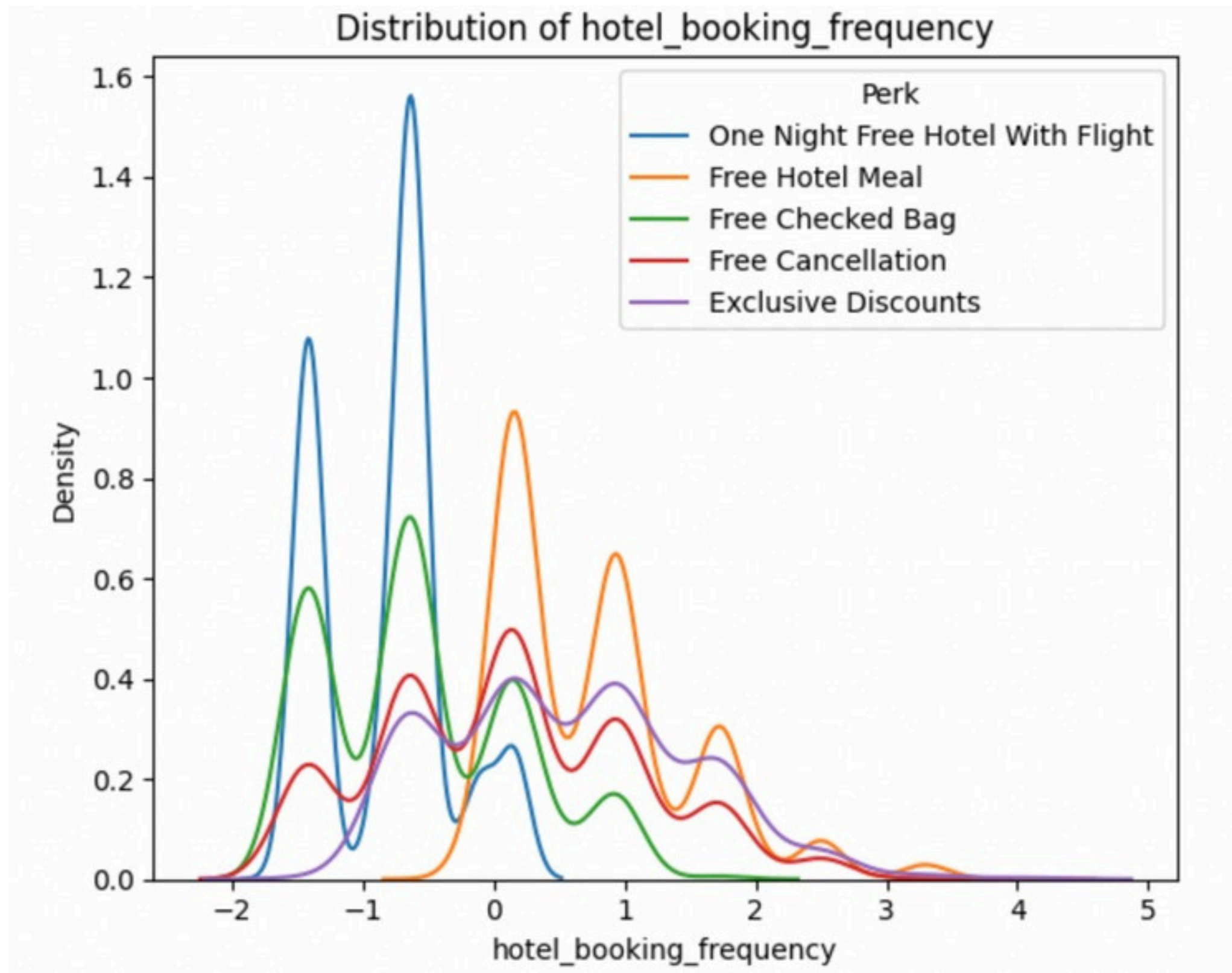
The data for this project was sourced from the TravelTide database, as directed by the head of marketing. It includes sessions from 04/01/2023 to 23/07/2023, considering only users with more than 7 sessions during this period.

Distribution of Users per Cluster



The "Free Cancellations" cluster is the largest, indicating its popularity among users. This perk offers flexibility without extra costs, appealing to those who value both affordability and adaptability in their travel plans.

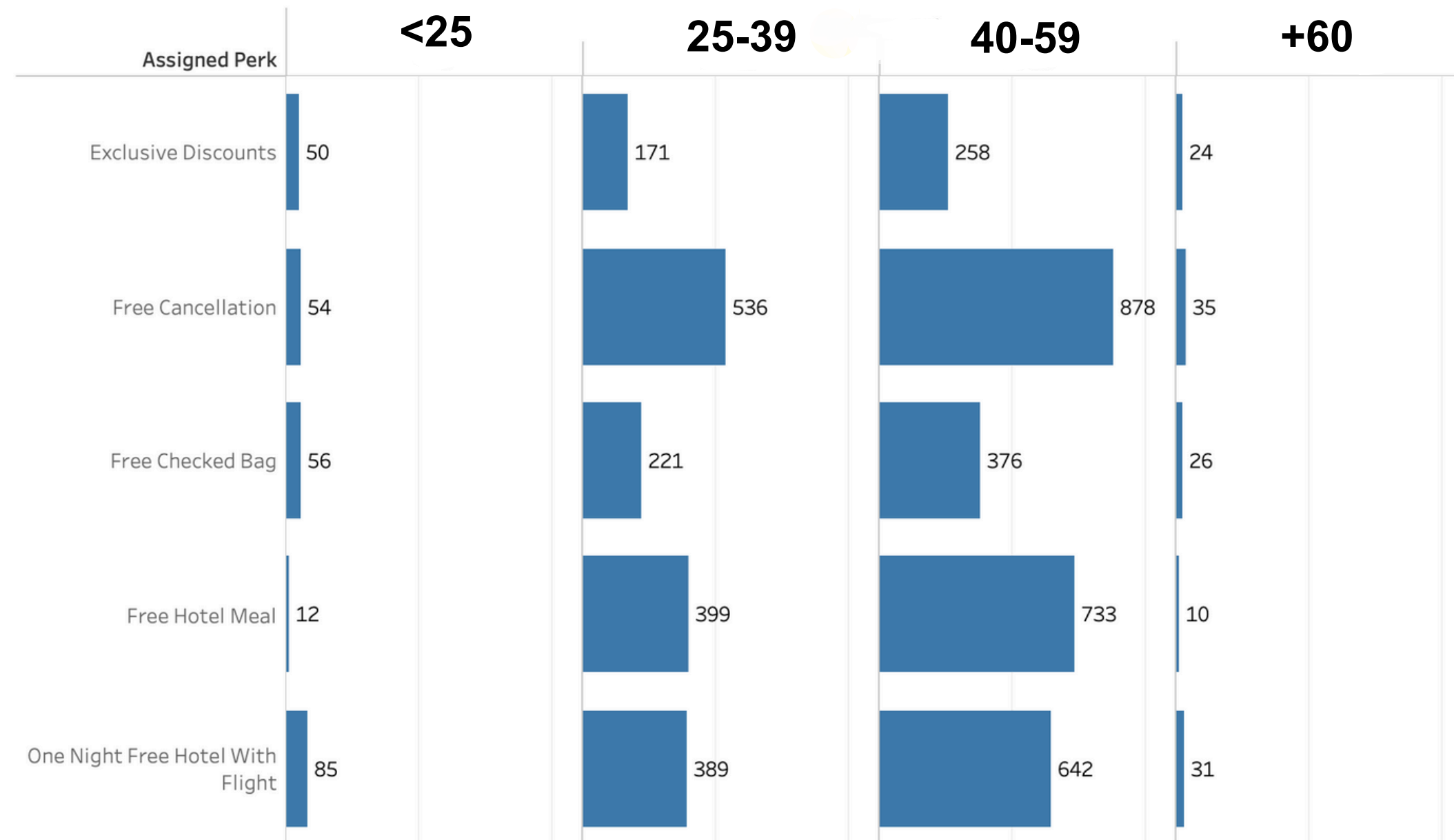
Distributions Findings



The line chart shows that the "Free Hotel Meal" perk is the most popular. However, many users also want other perks, as evidenced by the overlapping of the different clusters.

Analysis by Demographic Characteristics

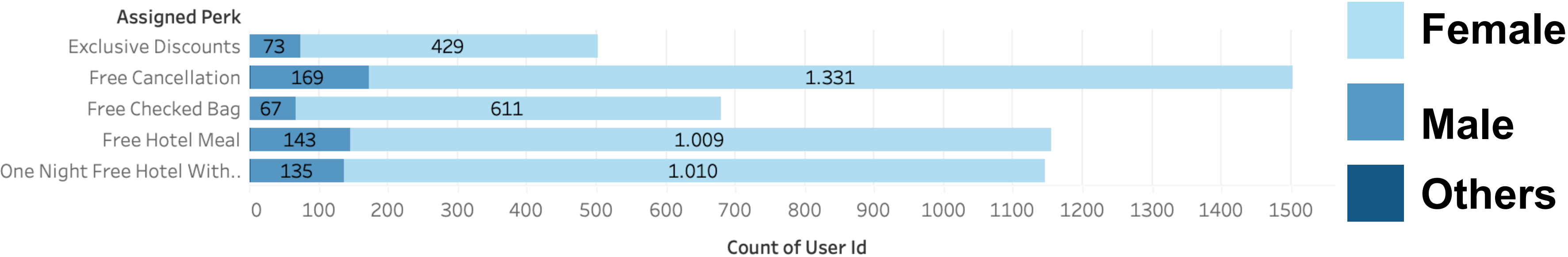
Age Groups



The trend in perk preferences across age groups mirrors the user distribution in each cluster. The most popular perks are "Free Cancellation" and "Free Hotel Meals", dominated by the 40-59 age group, followed by the 25-39 group. To boost engagement among users under 25 and over 60, targeted marketing campaigns could be implemented.

Analysis by Demographic Characteristics

Gender



Female users are the most active group in utilizing perks, particularly in the "One Night Free Hotel with Flight" and "Free Hotel Meal" categories.

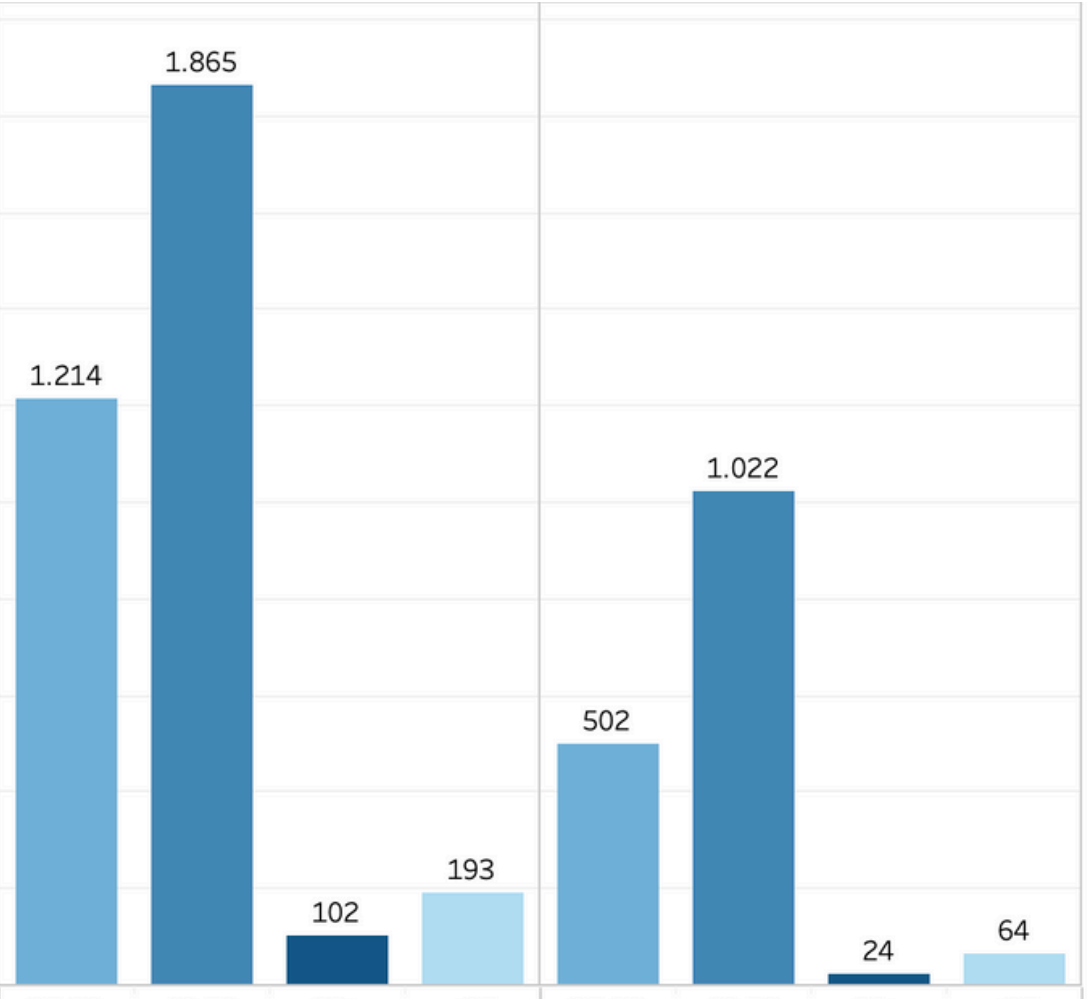
With a majority of female users, there's an opportunity for targeted marketing to engage more male customers and diversify the customer base.

Analysis by Demographic Characteristics

Has Children Status

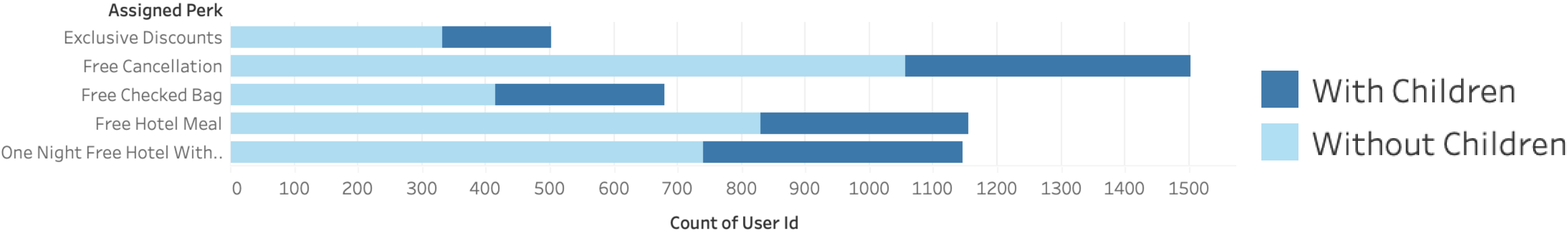


without children with children



Users without children tend to be more active than those with children.

Users with children generally show greater interest in the "No Cancellation Fee" perk. This perk presents an opportunity to target the group and increase user involvement more effectively.



CONCLUSIONS

- The analysis of various perks across different demographic characteristics reveals insightful patterns regarding user preferences and behaviors. The "Free Hotel Meal" perk stands out as the most frequently sought, yet users express interest in a range of benefits, particularly "Free Cancellations," which resonates strongly due to its ability to provide flexibility. This is evidenced by its largest cluster of users, emphasizing affordability and adaptability in travel.
- Demographic factors further clarify the nuances of perk preferences. Users without children are generally more active in using perks, while users with children show a stronger preference for "Free Cancellations," indicating a desire for greater flexibility in their plans. Additionally, age and gender play key roles in perk preferences: Female users are the most active across multiple perk categories, particularly "One Night Free Hotel with Flight" and "Free Hotel Meal." There is a notable gender imbalance, with male users less represented, suggesting opportunities for targeted marketing toward diversifying the user base.
- Finally, age segmentation shows that middle-aged users (40-59) benefit most from popular perks like "Free Cancellations" and "Free Hotel Meal," while younger users, especially those under 25, show lower engagement with perks overall. This suggests that tailoring marketing efforts towards younger travelers could yield increased engagement in this demographic group.
- Overall, understanding the interplay of user preferences, demographic attributes, and the type of perks offered can provide strategic insights into improving customer satisfaction and engagement within different segments. This data highlights the importance of flexibility, gender balance, and age-tailored offerings to better meet the diverse needs of travelers.

RECOMMENDATIONS

- **Multi-Level Rewards:** Introduce multi-level rewards that cater to different stages of customer engagement, leveraging overlapping preferences to increase booking activity. Consider merging perks like "Free Hotel Meal" with "One Night Free Hotel With Flight."
- **Periodic Refinement:** Regularly re-segment with a larger dataset to achieve more precise segmentation, allowing adaptation to changing preferences and improving targeting.
- **Feedback Mechanism:** Gather direct customer feedback to continually refine the program, ensuring it remains relevant and attractive.
- **Targeted Marketing:** Customize marketing campaigns to match cluster preferences, aligning messages and perks to boost engagement and loyalty.

*THANK YOU
FOR
YOUR
ATTENTION!*



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GitHub
code used in the project