

TravelTide - Customer Segmentation

Date: August 30, 2023,
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Introduction

This report outlines the findings of the Data Analyst Team's customer segmentation analysis to support implementing a personalized rewards program for TravelTide customers.

TravelTide's commitment to providing an extensive and easily searchable travel inventory has yielded significant benefits; however, certain aspects of the customer experience have room for improvement, impacting customer retention. The Marketing team aims to establish a data-driven rewards program to enhance customer retention and value. This initiative necessitates a comprehensive understanding of customer behavior through effective customer segmentation.

Objectives

The primary objective of the Marketing team is to design an enticing personalized rewards program that resonates with customers, thereby driving platform engagement and customer loyalty.

Goals:

- 1) Analyze data to validate the hypothesis of customer segments showing a distinct interest in proposed perks.
- 2) Attribute each customer to a preferred perk category.

Methodology

Customer segmentation divides the customer base into distinct groups, enabling tailored experiences. Our approach leveraged the following methodology:

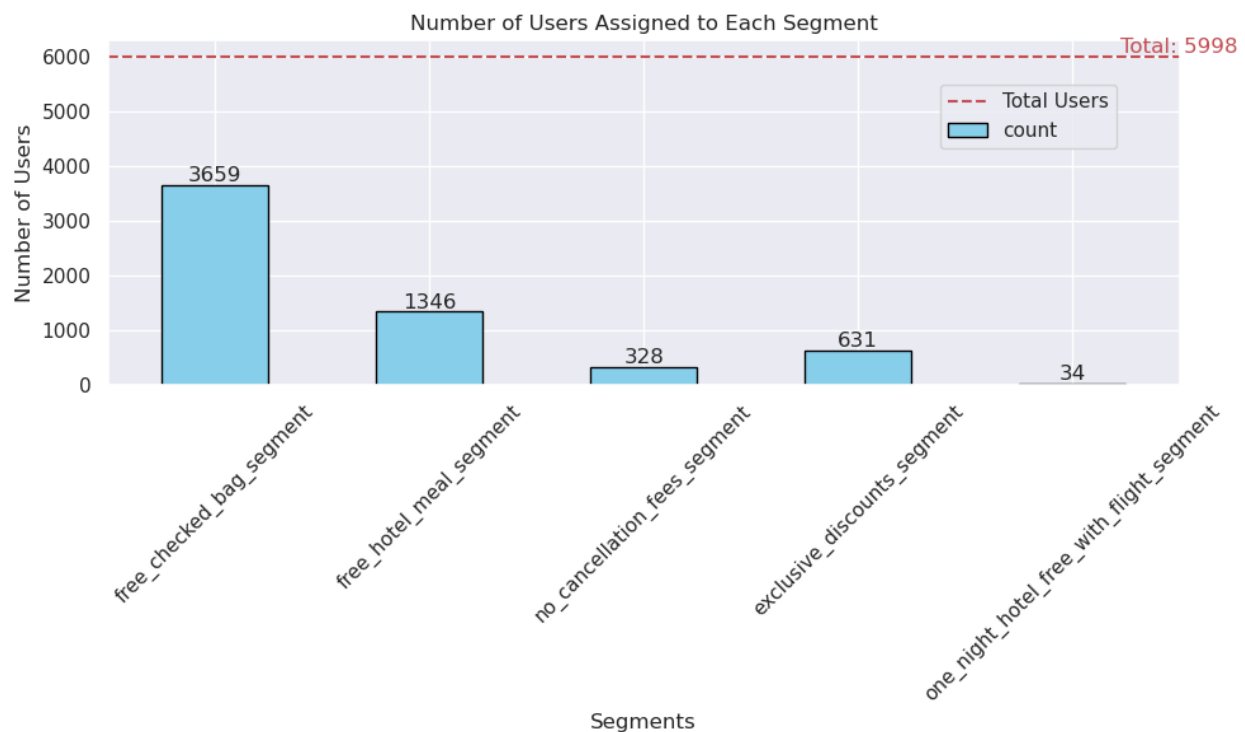
- 1) **Cohort Definition:** Users engaging in over 7 sessions from '2023-01-04' onwards
- 2) **Data Extraction:** Employed SQL to extract aggregated cohort data from the PostgreSQL RDBMS system.
- 3) **Data Analysis:** Utilized SQL and Python to define and rank customer segments.
- 4) **Segment Assignment:** Assigned each customer to an appropriate segment.

Key Findings

Utilizing the Fuzzy Segmentation technique, customers were categorized into segments based on their preferences for proposed perks:

- Free Checked Bag Segment: **3,659** customers
- Free Hotel Meal Segment: **1,346** customers
- No Cancellation Fees Segment: **328** customers
- Exclusive Discounts Segment: **631** customers
- One-night Free Hotel with Flight Segment: **34** customers

Note: Users not meeting segment criteria are additionally categorized under the lowest cost segment, 'Free Checked Bag Segment'.



Recommendations and Next Steps

1. **Personalized Marketing Plans:** Craft tailored marketing strategies for each segment utilizing the 'customer_segmented.csv' file. Highlight the perk most appealing to the respective segment.
2. **Cost Consideration:** Assess the feasibility of phased promotions based on the total cost of proposed perks for each segment.

For further details and in-depth analysis, please refer to the accompanying documentation.