

Executive Summary

TravelTide Customer Segmentation & Rewards

Objective

To enhance user engagement and increase conversion by offering personalized perks to travelers based on demographic, behavioral, and transactional patterns derived from post-January 4th, 2023 user activity.

User Segmentation Strategy

The segmentation logic was designed using a decision-tree-based approach with key metrics:

- Trips completed
- User age
- Spending habits
- Session activity
- Family status (children)
- Cancellations

Users were filtered to only include those with more than 7 sessions up, ensuring an engaged cohort for perk optimization.

Segments and Corresponding Perks

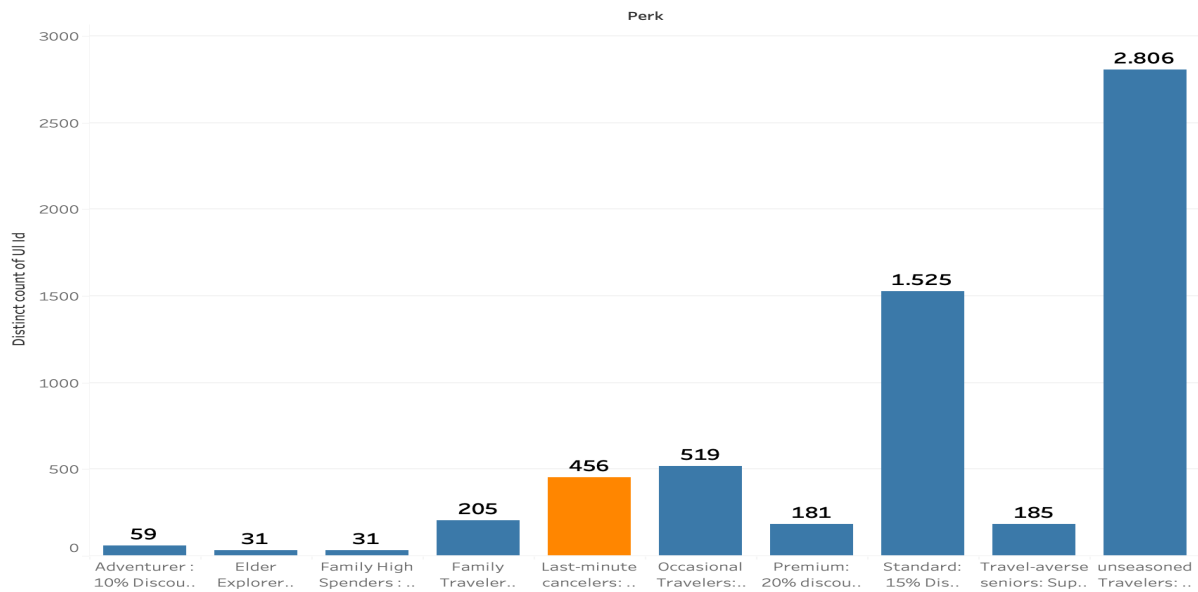
1. Inactive Users

Criteria: num_trips = 0

Sub-segments:

- No booking: New Buddies: 50% off first trip
- With cancellations: Last-minute cancelers : Free Cancellations for 30 days

Last Minute Cancelers



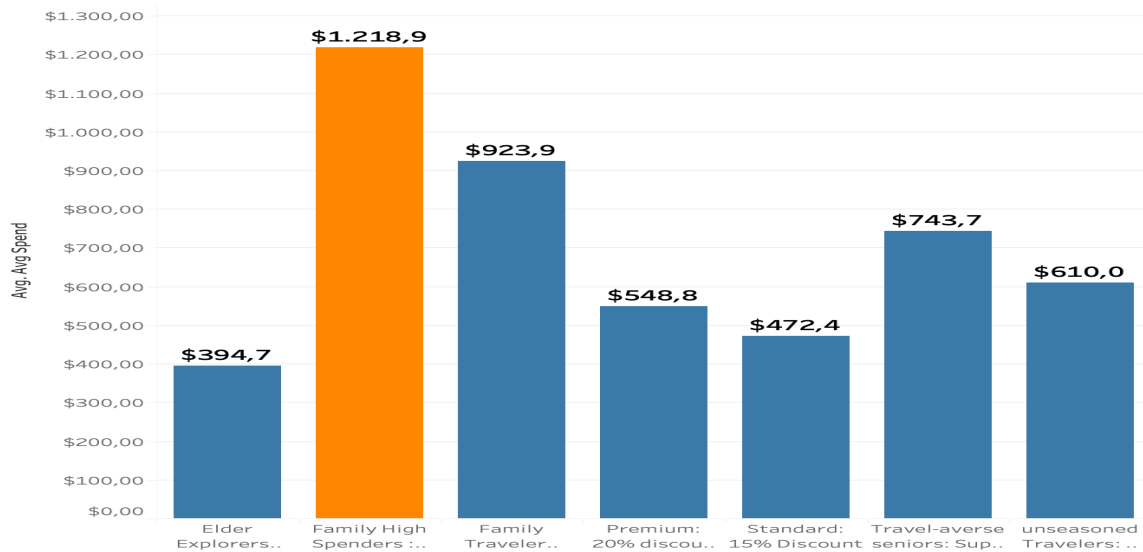
2. Active Users

Divided by age:

A. **Younger Travelers** (num_trips) > 0 (Age < 30) and (has_children) = TRUE and (avg_spend > 1.5 avg)

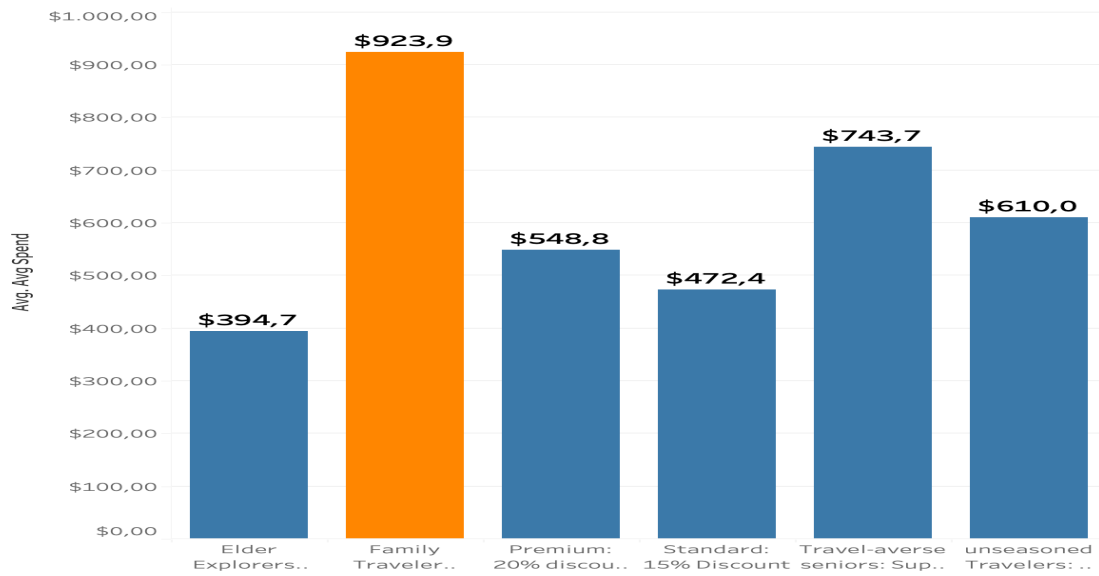
Family High Spenders : Free stay for child on next booking

Family High Spenders



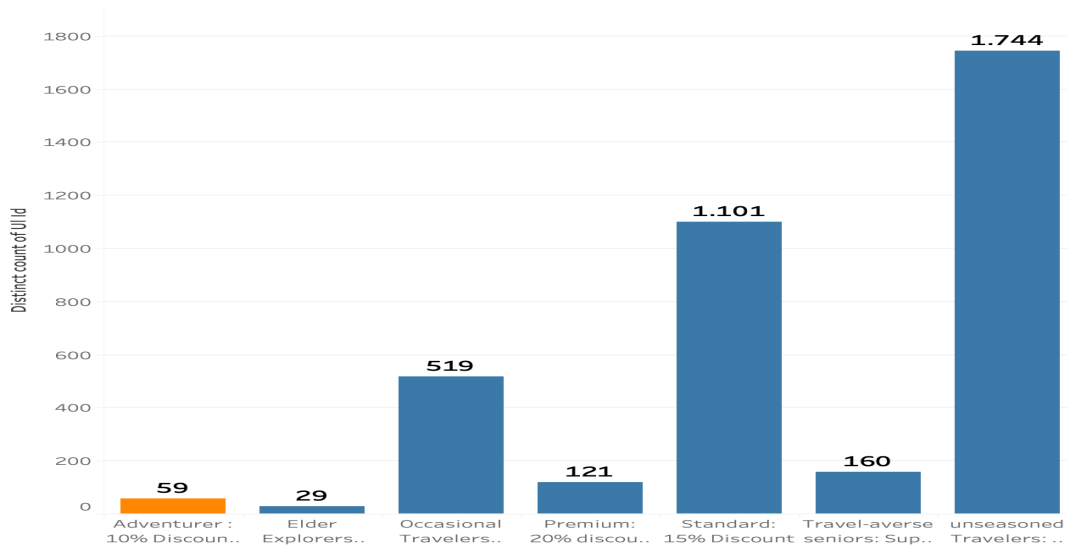
Family Travelers : Free child ticket

Family Traveler



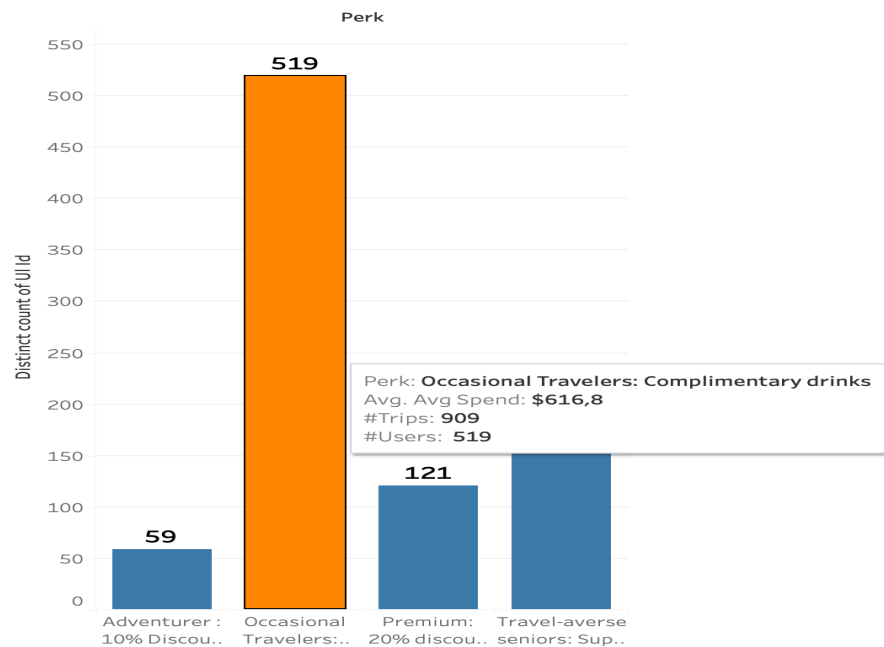
Without children (num_trips) > 0(Age < 30) and (has_children) = FALSE and
3 Trips: Adventurers: 10% off each additional seat

Adventurer



≤3 Trips: Occasional Travelers: Complimentary drinks

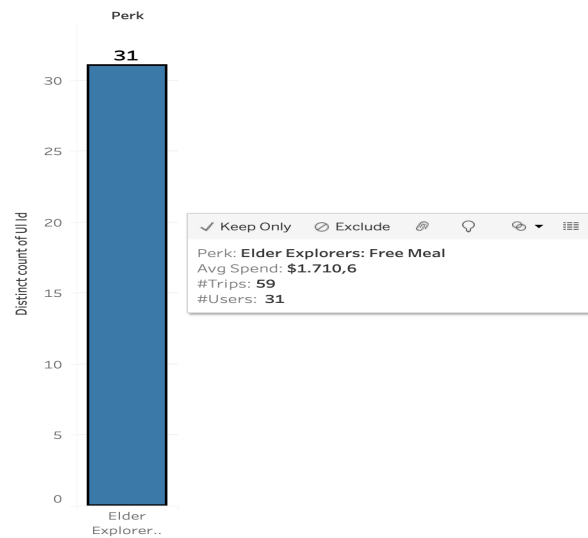
Occational Travelers



Senior Travelers (Age > 60)

Elder Explorers: Free Meals

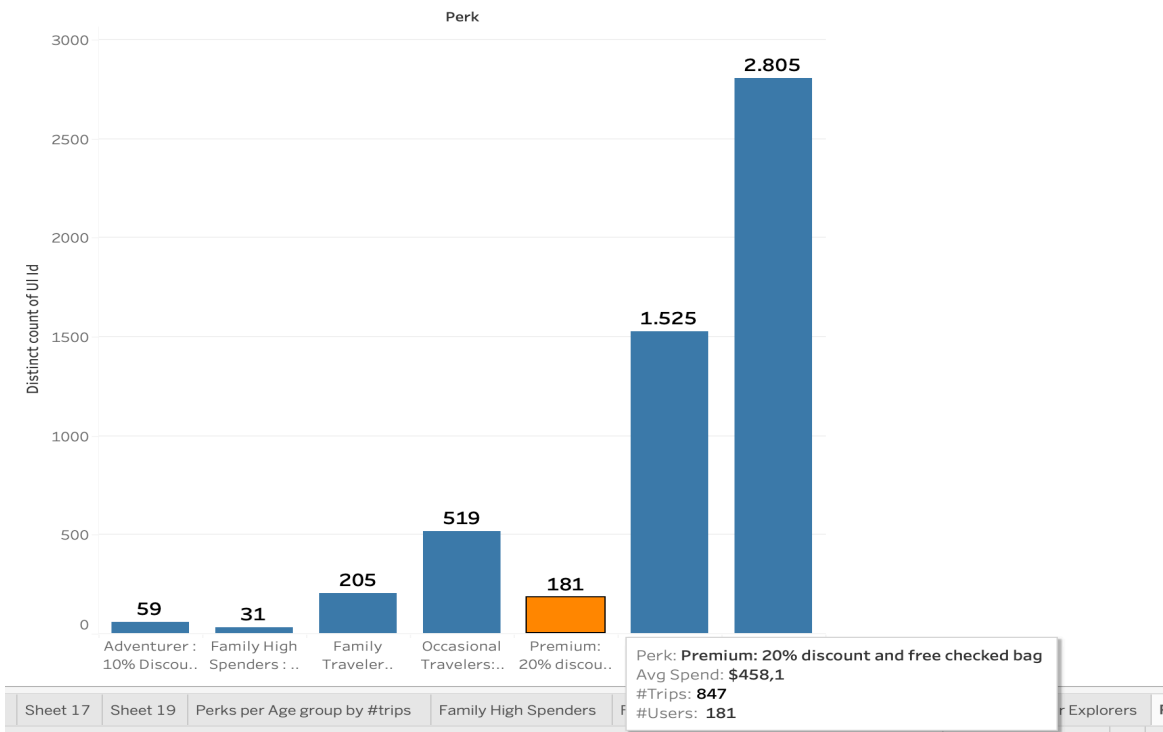
Elder Explorers



C. Middle-Aged Travelers ($30 \leq \text{Age} \leq 60$)

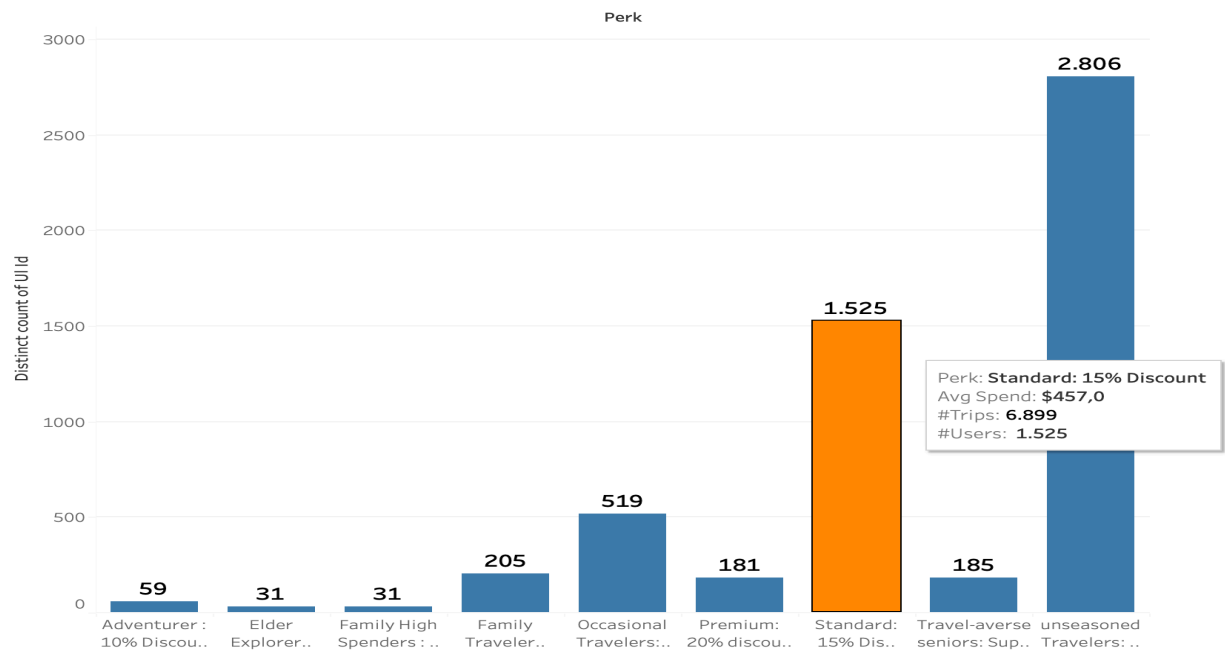
3 Trips: Premium Travelers: 20% off + Free Checked Bag

Premium Traveler

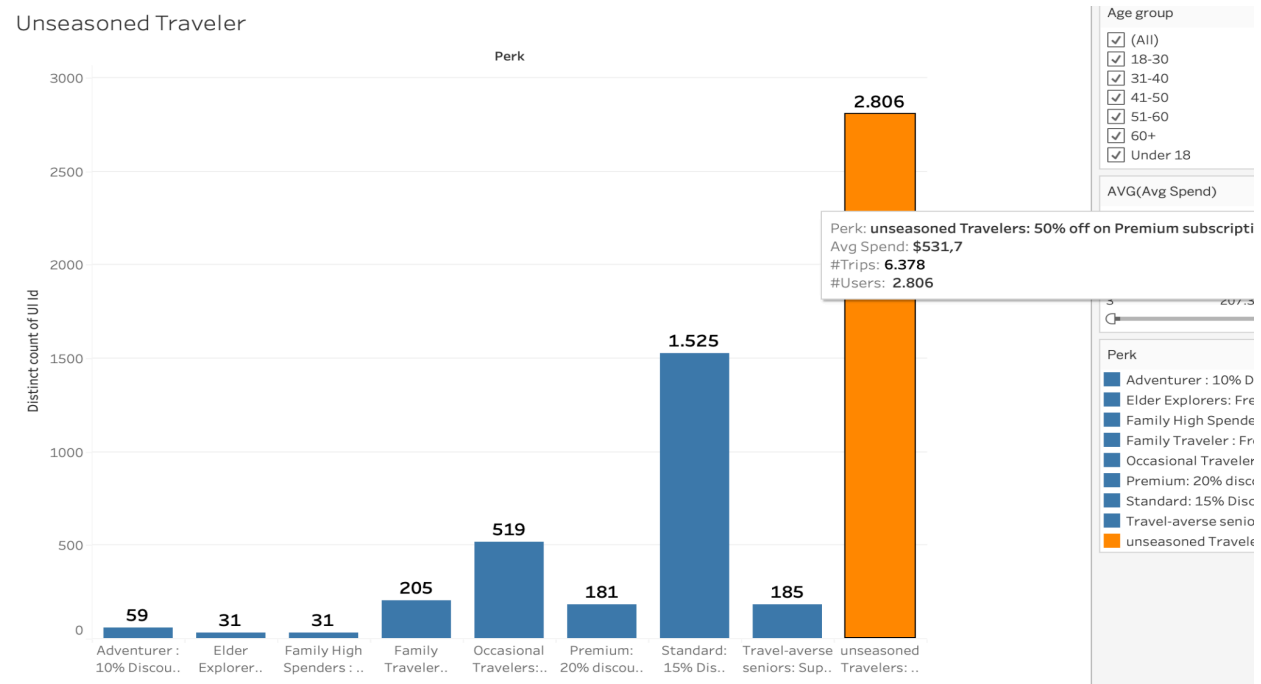


Standard Travelers: 15% Discount

Standard Traveler



≤3 Trips: 🟠 **Unseasoned Travelers**: 50% off Premium Subscription



Key Metrics Extracted from SQL Logic

- Demographics
- Age and age group
- Presence of children
- Home location (country, city)
- Behavioral Metrics
- Number of sessions
- Page clicks per session
- Cancellations
- Transactional Metrics
- Number of trips
- Average spend per trip
- Flight/hotel bookings (standalone or combined)
- Spending on flights/hotels
- Travel distance (haversine metric)

Data Pipeline Highlights (from SQL)

- Filtering Sessions: Post-Jan 4, 2023 only; minimum 7 sessions per user.
- User Metrics: Derived trip-level, session-level, and monetary metrics for each user.
- Perk Assignment: Final CASE logic uses trip count, spending patterns, age group, and family status to assign perk tiers.

Impact Potential

Based on the perk assignment logic:

- High-frequency & high-spend segments (e.g., "Premium Travelers", "Family High Spenders") can drive repeat usage and upsells.
- Infrequent and price-sensitive users (e.g., "New Buddies", "Unseasoned Travelers") receive discounts to encourage first conversions.
- Targeted unseasoned travelers add personalized value based on lifestyle and likely travel behavior.

Recommendations

- Deploy perks to segmented users via email/app for better impact.
- Monitor CTR and conversion uplift per perk type.
- A/B Test perks with a control group for ROI validation.
- Refine segmentation logic quarterly based on evolving user data.
- Add tracking for perk impact on next 30-day engagement or spend.