

Customer Segmentation & Perk Assignment

Objective

The Travel Tide project uses customer data to build practical traveler segments and match them with relevant travel perks. The aim is to improve customer satisfaction, strengthen loyalty, and use promotional resources more efficiently.

Approach

We conducted a segmentation analysis using SQL and Tableau to group Travel Tide customers by key behavioral and demographic characteristics. The segments were defined using travel frequency, spending levels, demographics, and booking behavior. After defining the segments, we assessed each group to select the perk that best fits its needs and is most likely to increase engagement.

Key customer segments

- Frequent travelers: Customers who travel often.
- High spenders: Customers with above-average booking or transaction values.
- Age groups: Customers grouped by generation (Gen Z, Millennials, etc.).
- Long-distance flyers: Customers who regularly book long-haul flights.
- Family status: Solo travelers, couples, and families.
- Booking behavior: Early bookers vs. last-minute planners.
- Cancellation patterns: Same-day, last-minute, and low-risk cancelers.
- Travel party size: Individual vs. group travelers.

Perk matching strategy

We reviewed each segment's behavior and business value, then assigned perks based on what is most likely to drive satisfaction and usage:

- Free hotel meal: Especially attractive for group/family trips and younger travelers.
- Free checked bag: Highly valued by long-distance flyers.
- No cancellation fees: Most relevant for business and senior travelers, last-minute bookers, and customers with higher cancellation risk.
- Exclusive discounts: Strongly appealing to early bookers.
- 1 free hotel night with flight: Most effective for high spenders.

Impact and recommendations

Matching perks to customer segments enables Travel Tide to improve retention and satisfaction, reduce wasted perk spend by targeting benefits more precisely, and personalize marketing to increase campaign ROI.

Next, we recommend integrating this segmentation model into the CRM and marketing platforms to support dynamic perk distribution. We also recommend A/B testing to validate and continuously refine perk assignments based on customer response.