

# **SUN COUNTRY CUSTOMER SEGMENTATION AND INSIGHT ANALYSIS**



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# PRESENTATION OUTLINE

BUSINESS  
OVERVIEW



PROBLEM/  
OPPORTUNITIES



BUSINESS  
OBJECTIVE



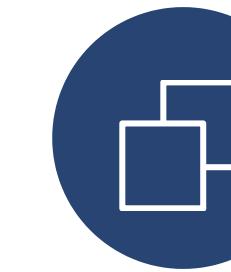
UNDERLYING  
MAGIC



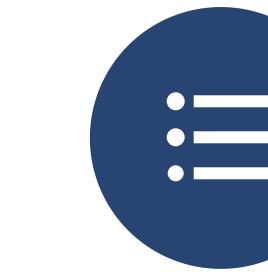
DATA  
ANALYSIS



FINDING AND  
INSIGHTS



INTERPRETATION RECOMMENDATION



# BUSINESS OVERVIEW

Sun Country airlines, a unique player in the airline carrier industry has endured the threats of intense competition from large national brands. With eyes toward the future, developing more robust customer insights should be the top priority. Better customer insights can help Sun Country to seize an opportunity to refine and market that program, as well as to reset some long-held assumptions, expectations, and operational precedents that have taken hold in the company.



# Problems/Opportunities

- Lack of customer knowledge hampers digital marketing and advertising efforts
- Fail to continuously appeal to customers on a different level
- In worse position to compete on price alone
- No unique ways to be apart from others in the industry – ways to replicate for others



# Business Objective



**Identify meaningful customer segments and the key characteristics**



**Drive ticket sales by promoting vacation packages**

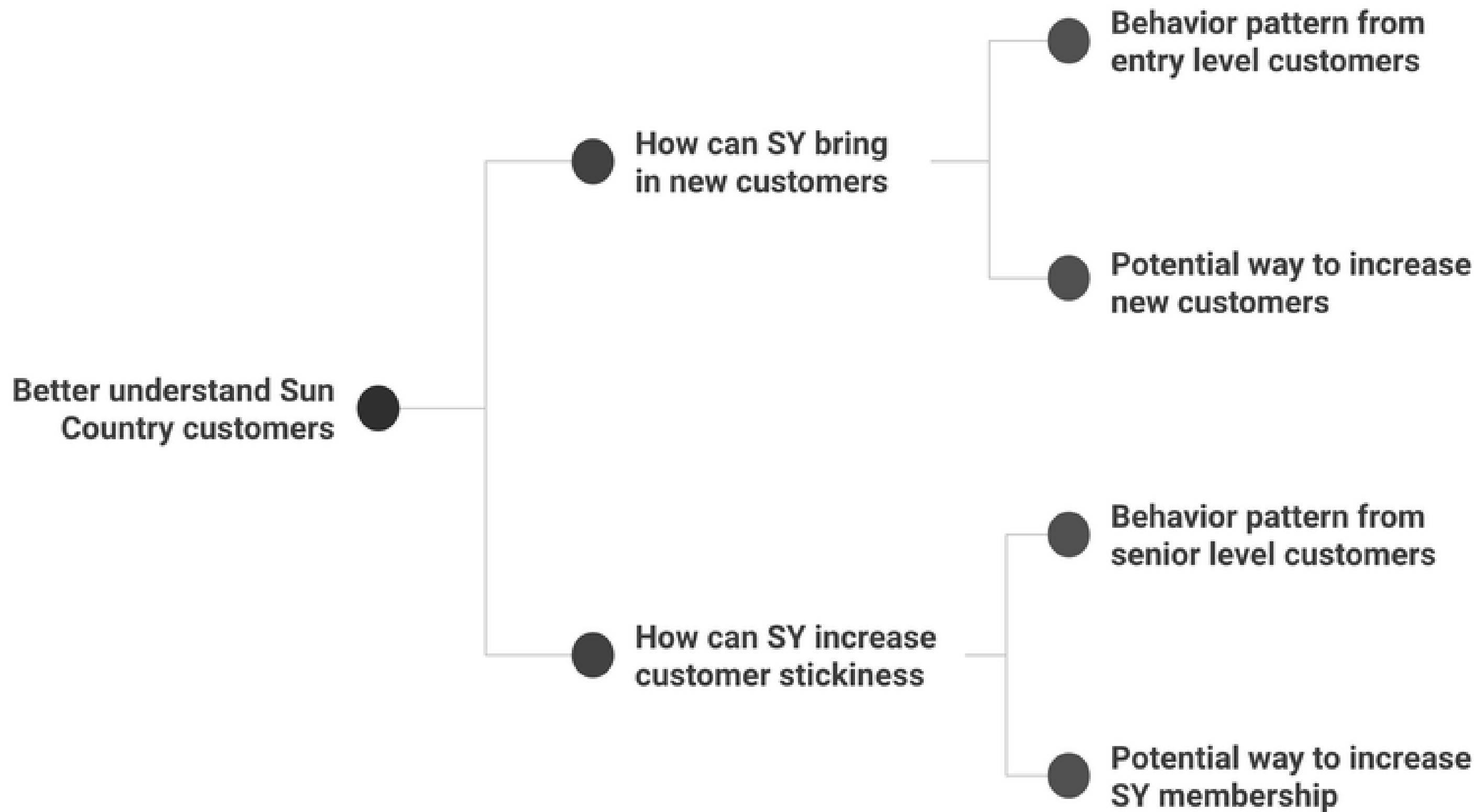


**Optimize online booking channel**

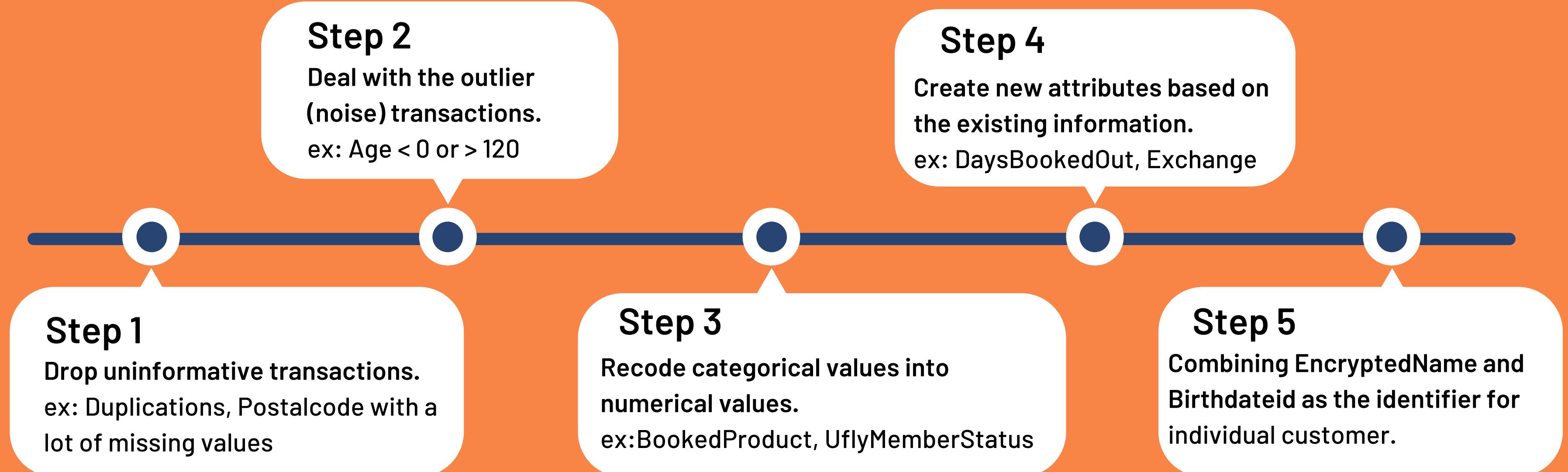


**Increase enrollments in Ufly Rewards Program**

# Analysis Plan

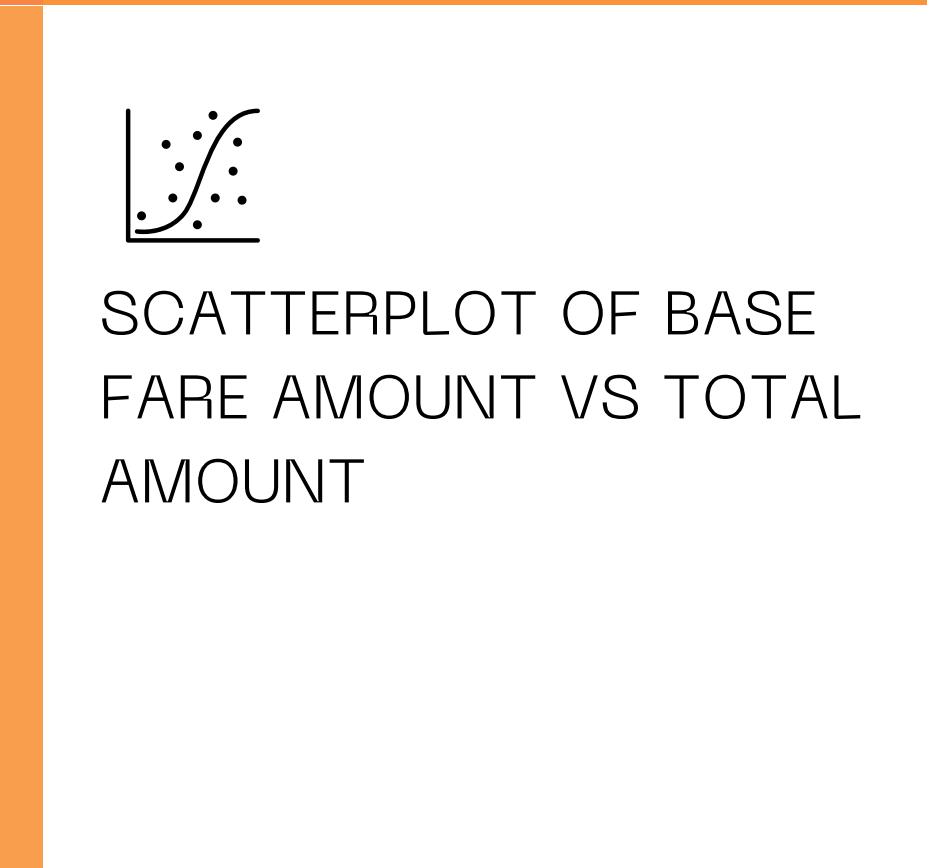
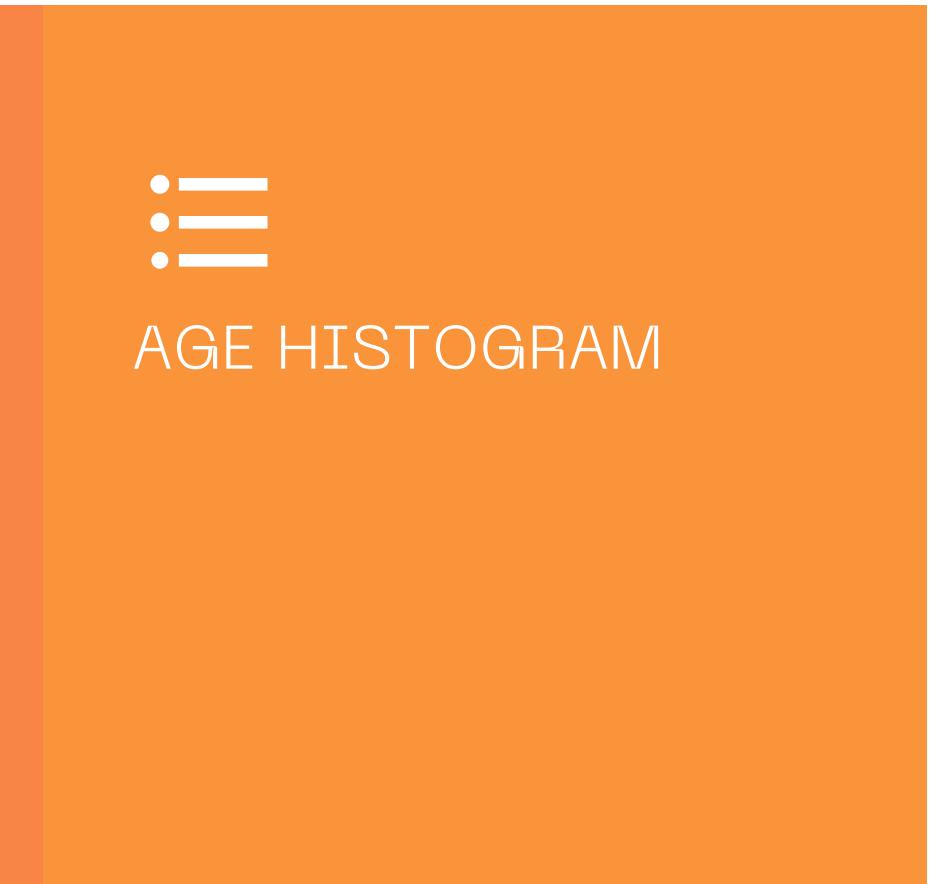
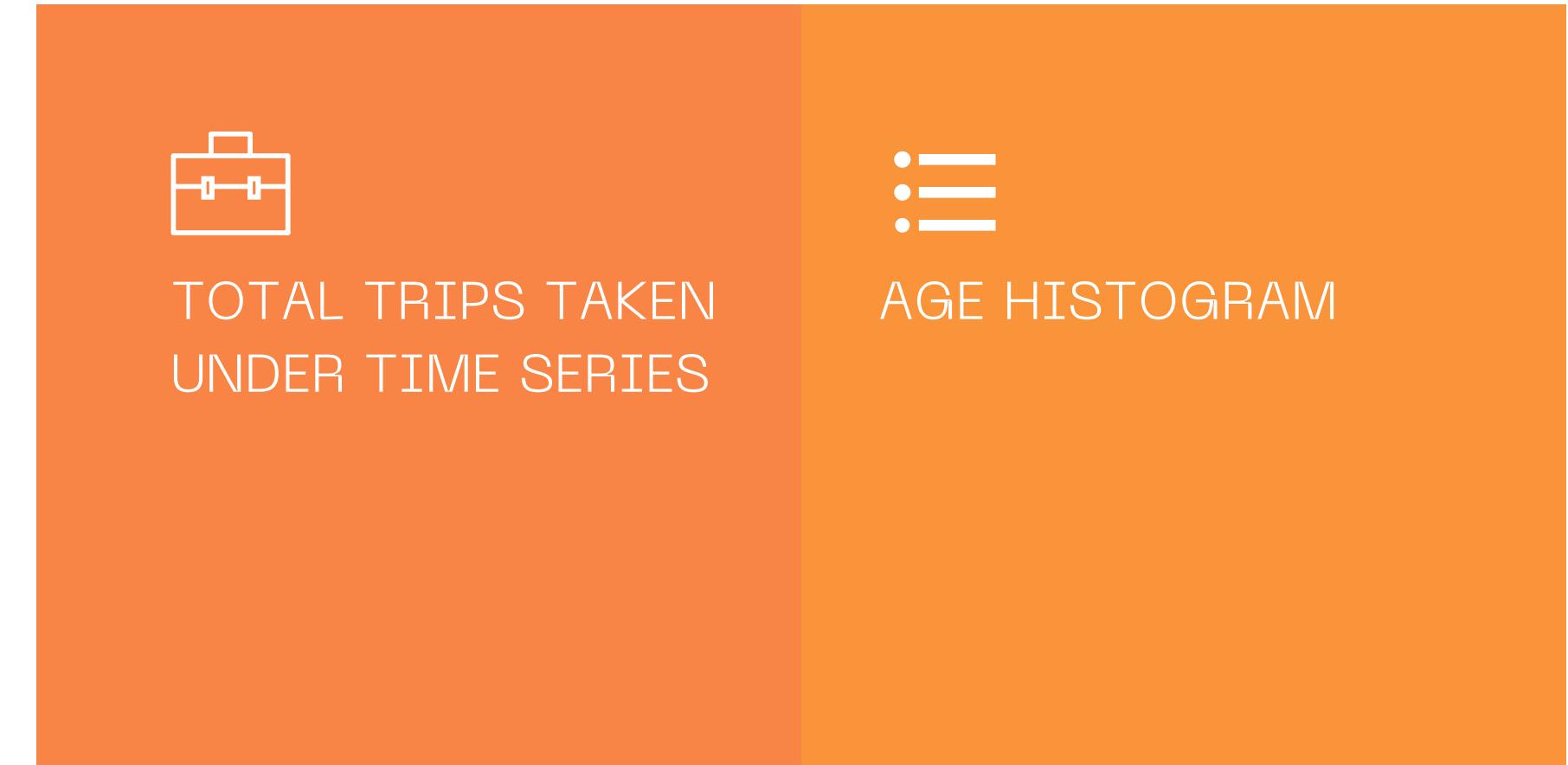


# Data Cleaning

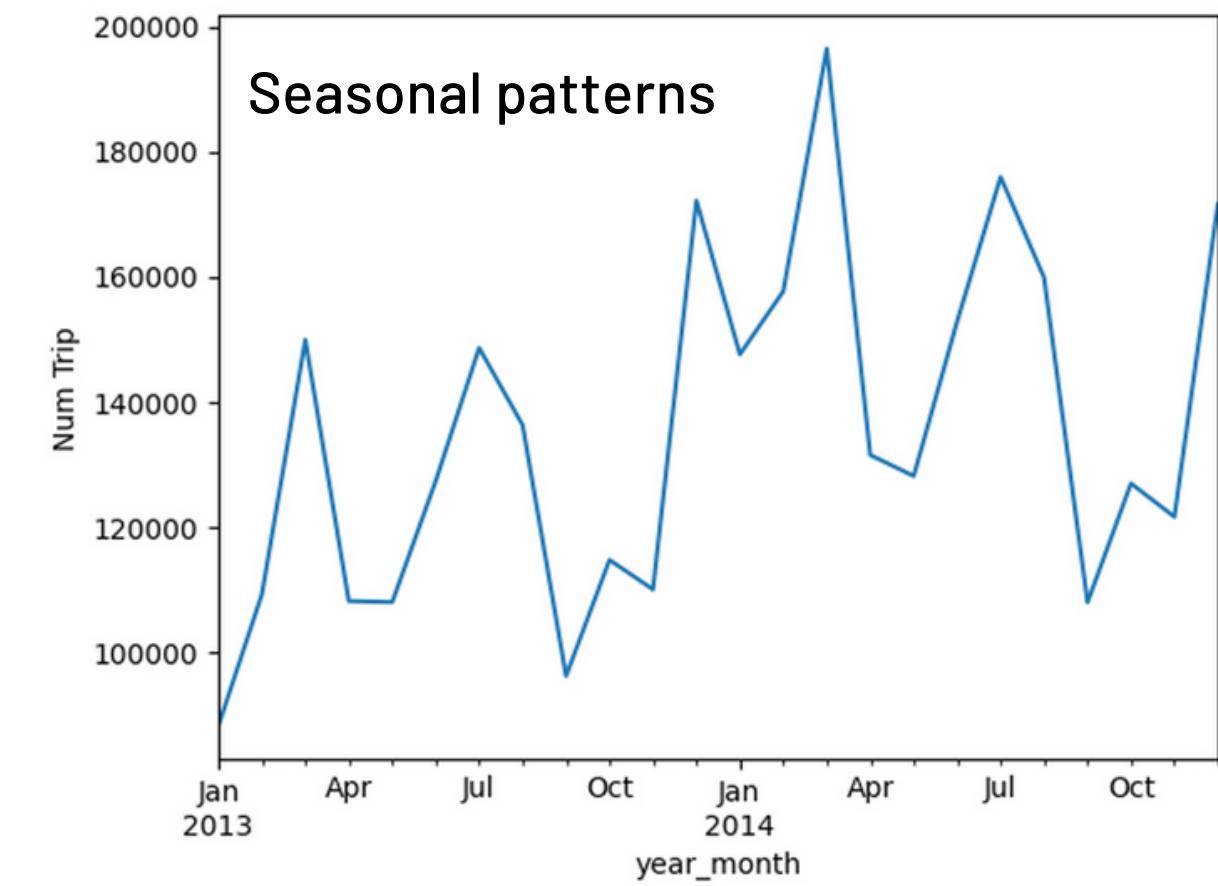
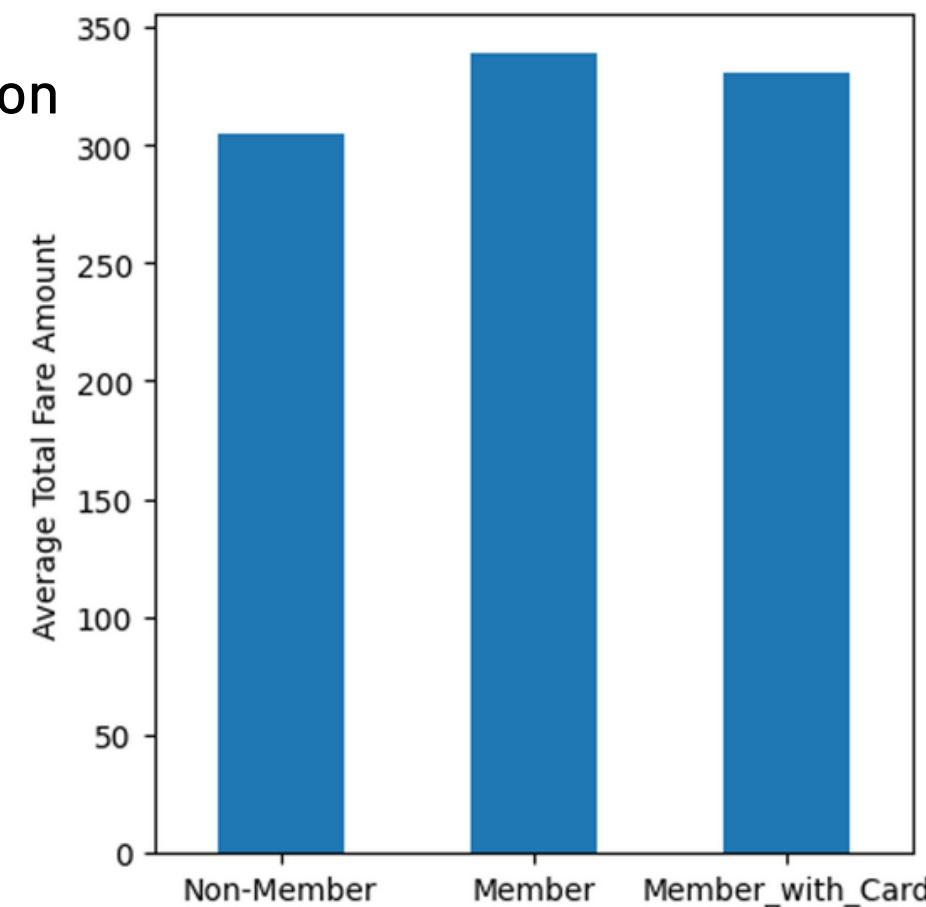
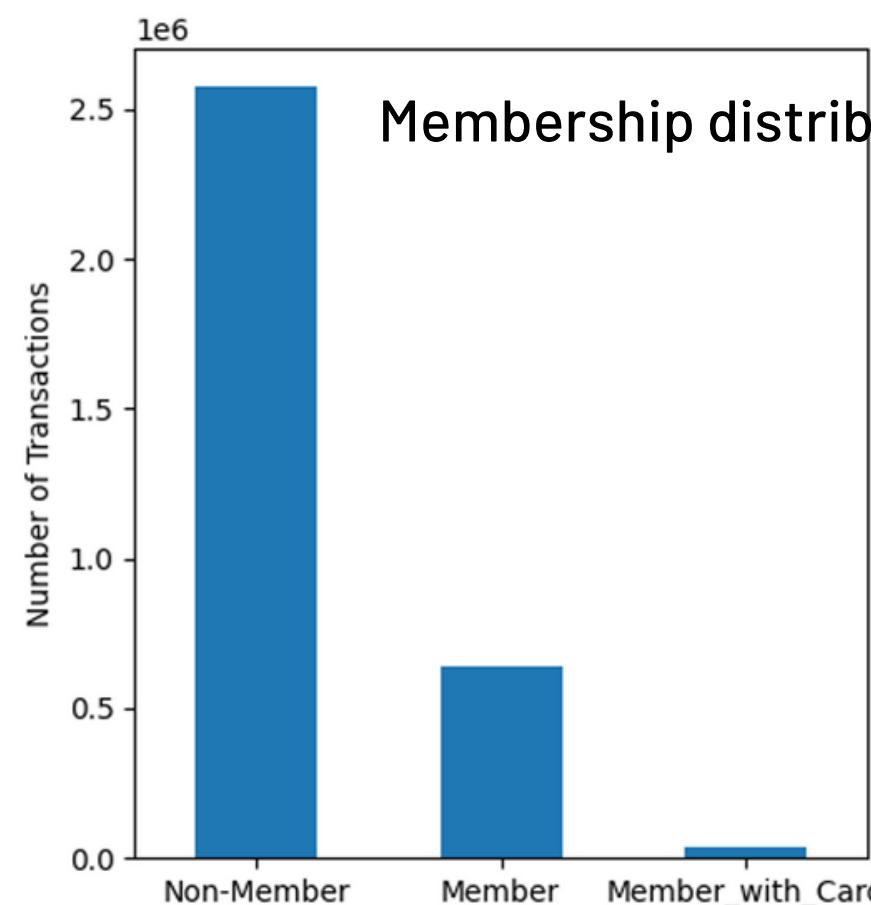
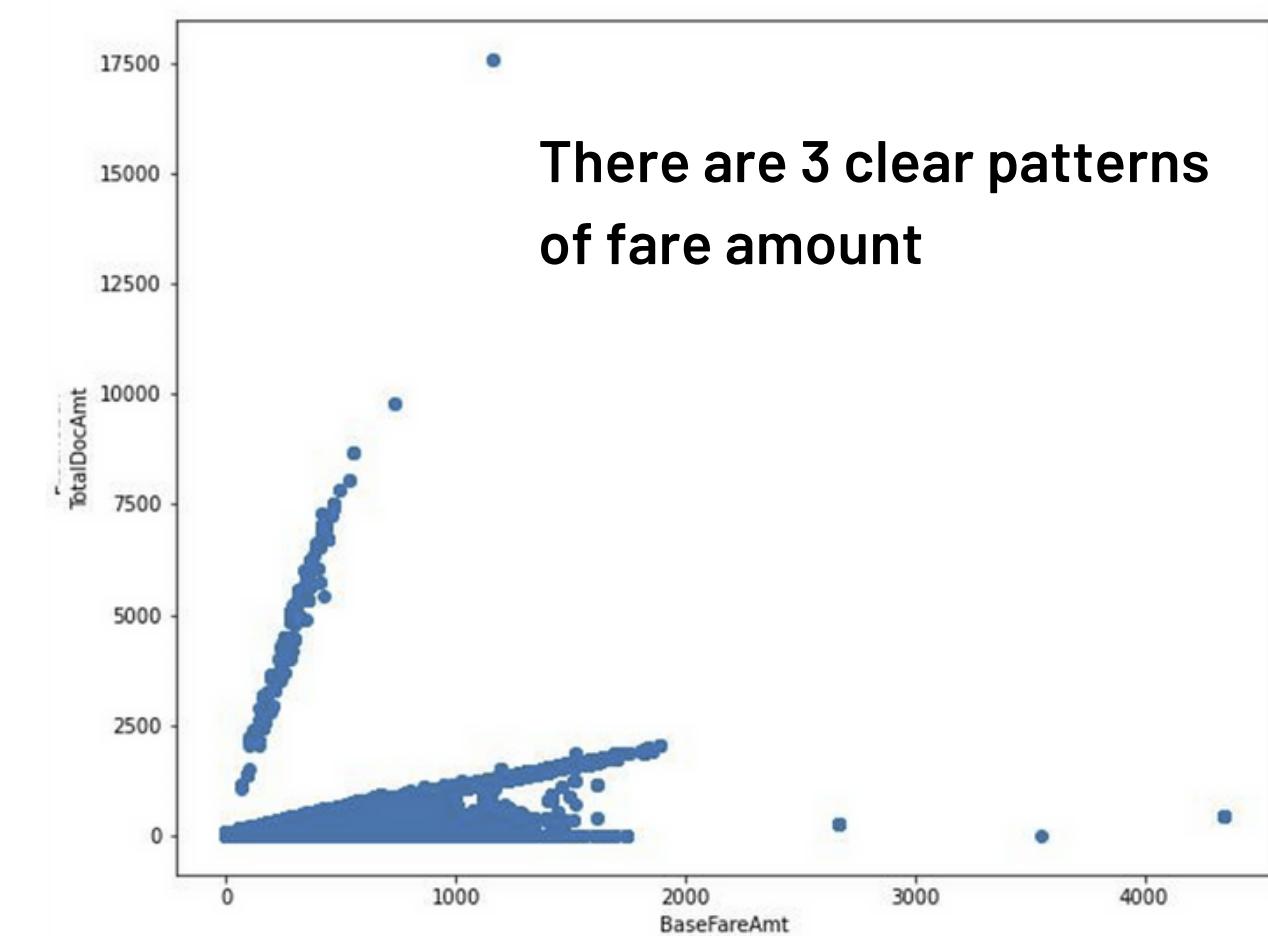
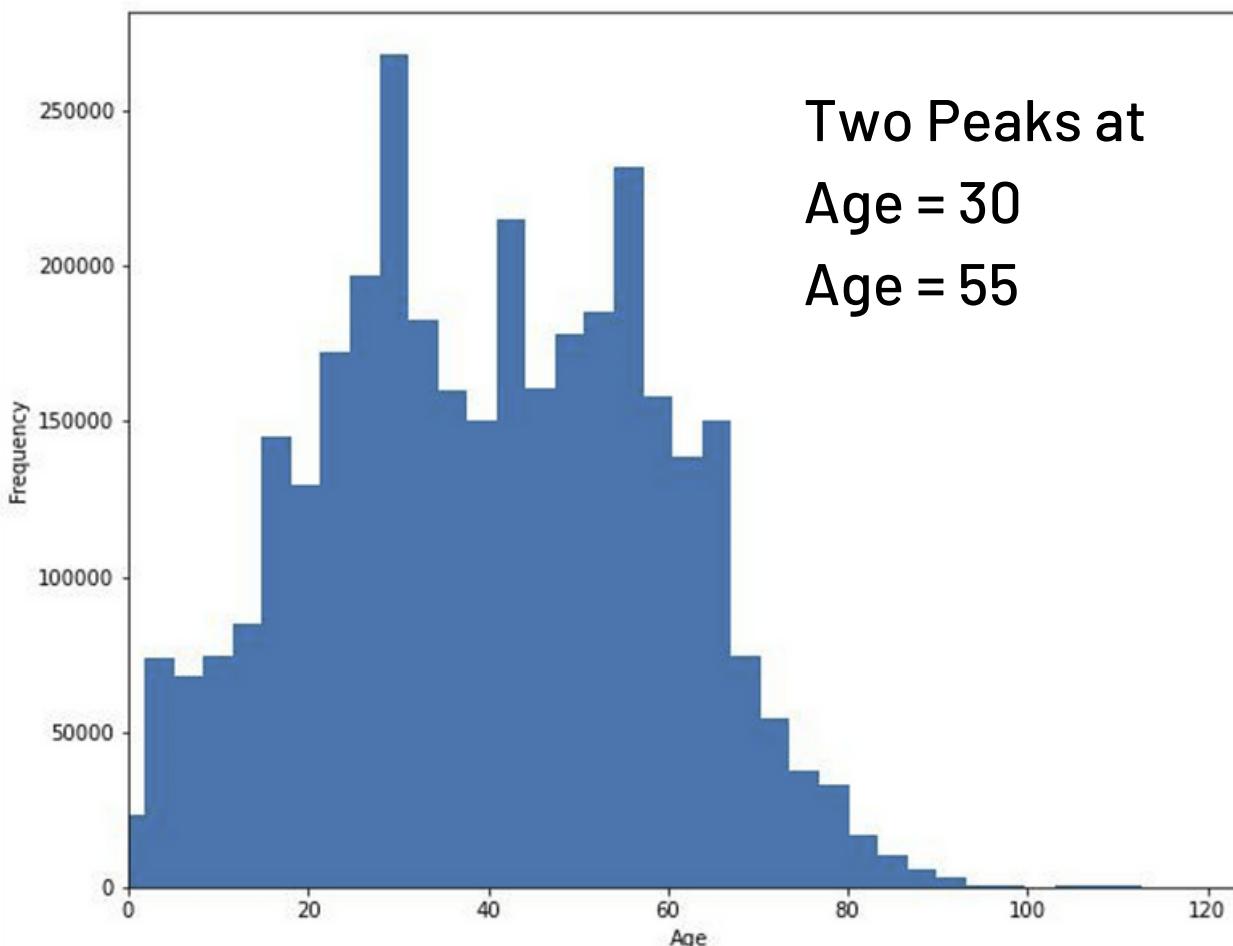


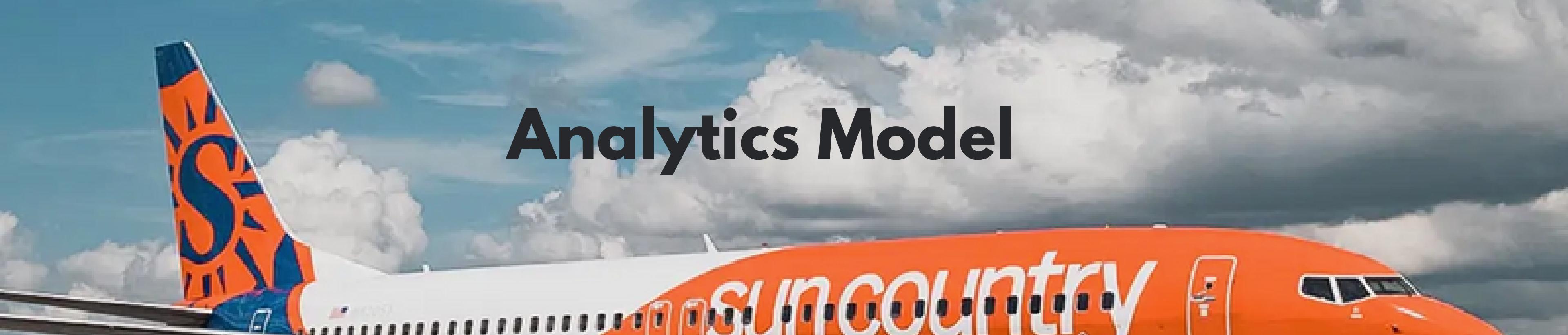
# PRELIMINARY ANALYSIS

Upcoming visualizations



## Basic plots and trend analysis





# Analytics Model

Gaussian Mixture Model

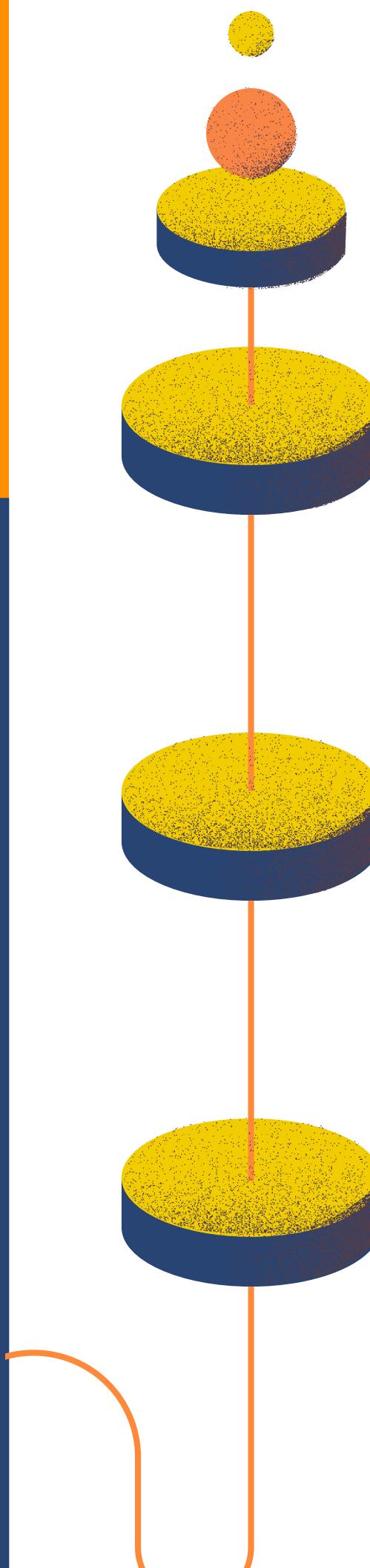


## Significant Difference

- Membership
- Average number of tickets per year
- Average discount per 10 tickets
- Booking channel

# Clustering Findings

# 1

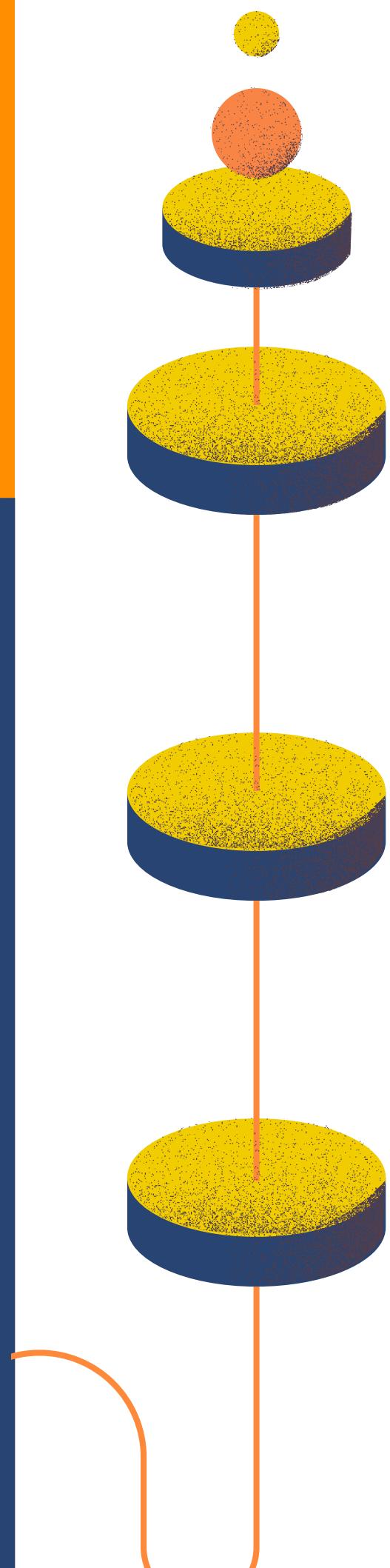


## Cluster - 1 : SCA website booking semi-members

- Group consists of 25% standard members, the rest non-members who prefer to book through the SCA website.
- Average spending of this group is \$260 per ticket
- 40% of the tickets bought in this group are discounted

# Clustering Findings

# 2

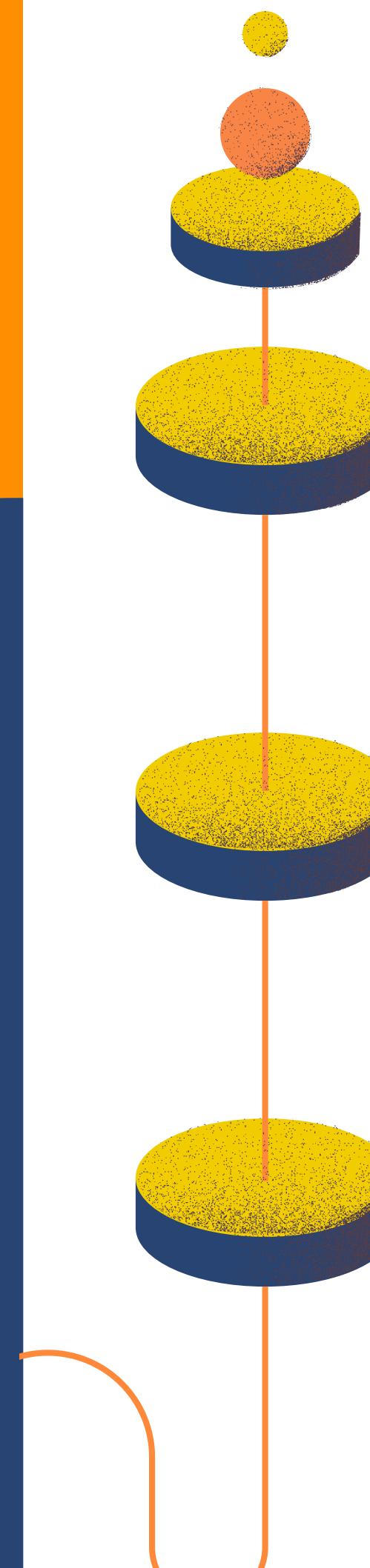


## Cluster - 2 : Outside booking non-members - low travelers

- Group consists of non-members with just 7% standard members.
- Customers travel once every year on average
- All customers have traveled in coach

# Clustering Findings

# 3

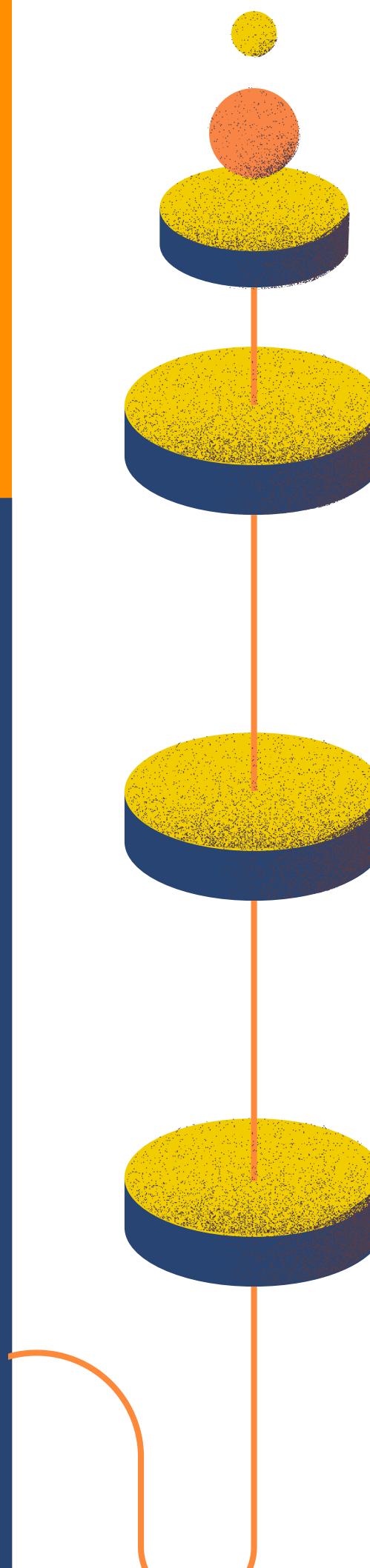


## Cluster - 3 : Discount loving vacation travelers

- Group consists of non-members with just 12% standard members
- 22% of customers traveled for vacation in the past 2 years
- 35% of the customers booked through tour operator portals

# Clustering Findings

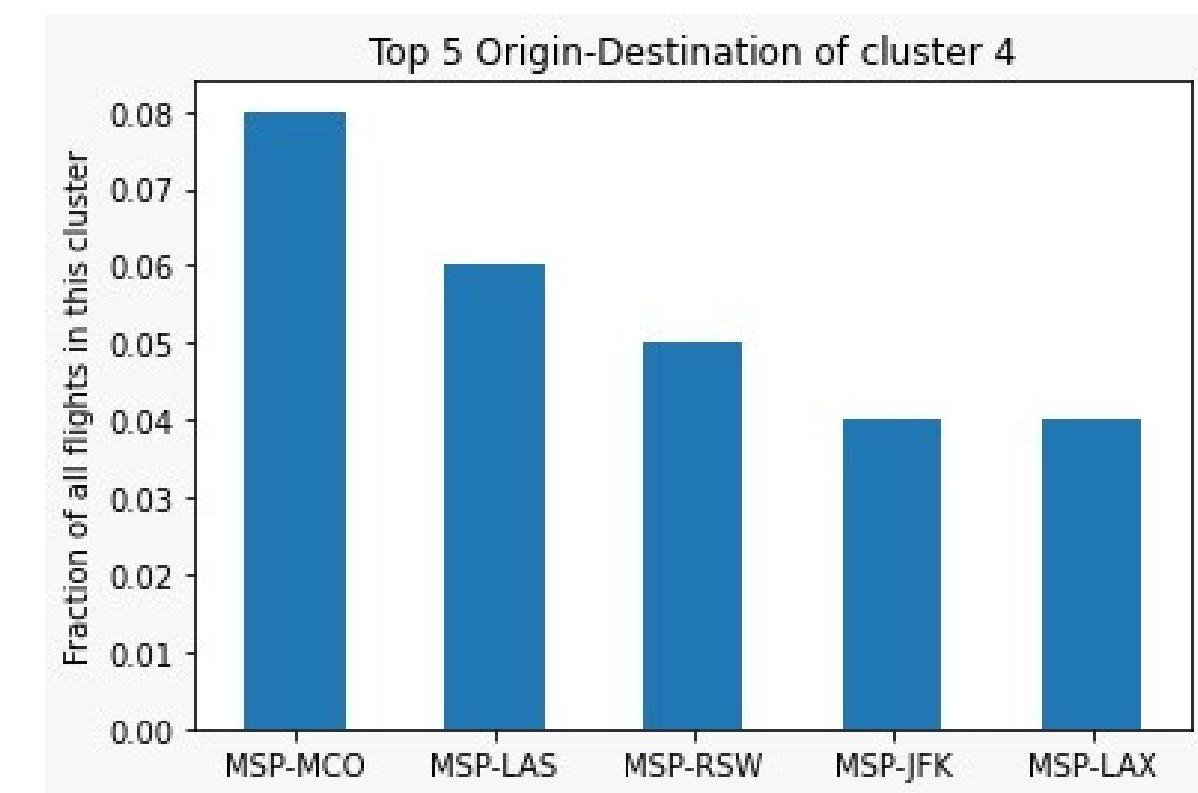
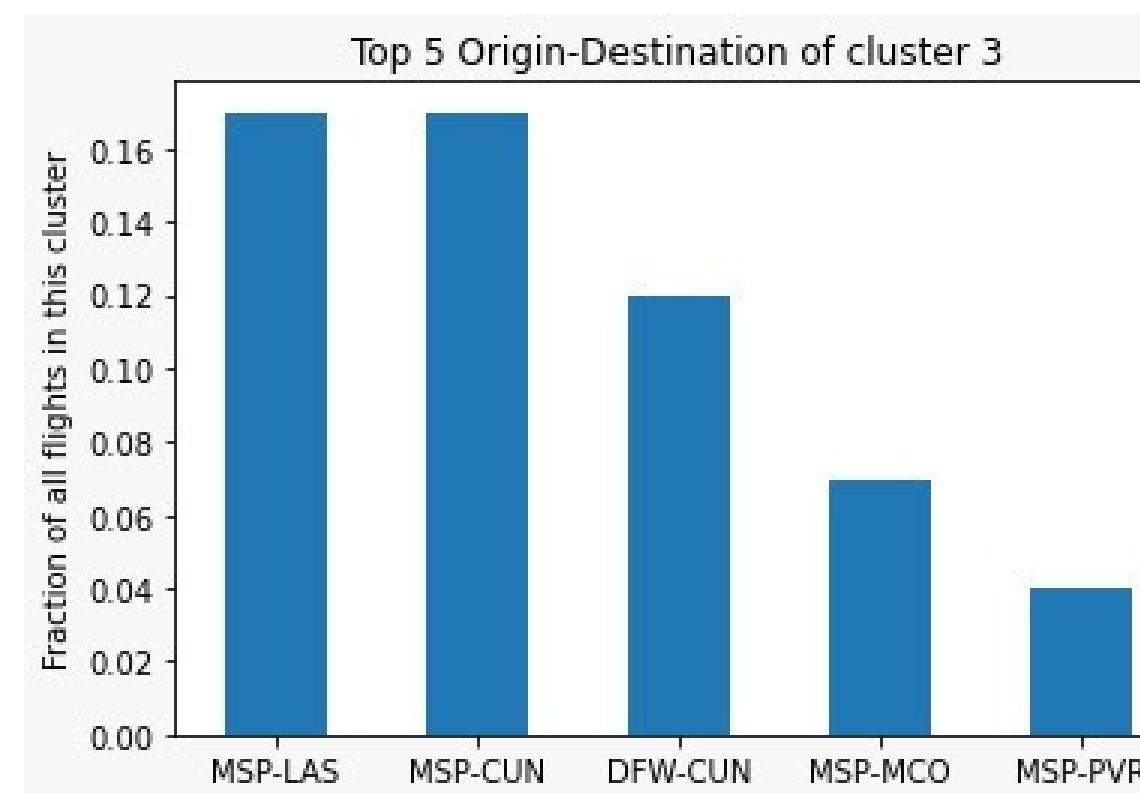
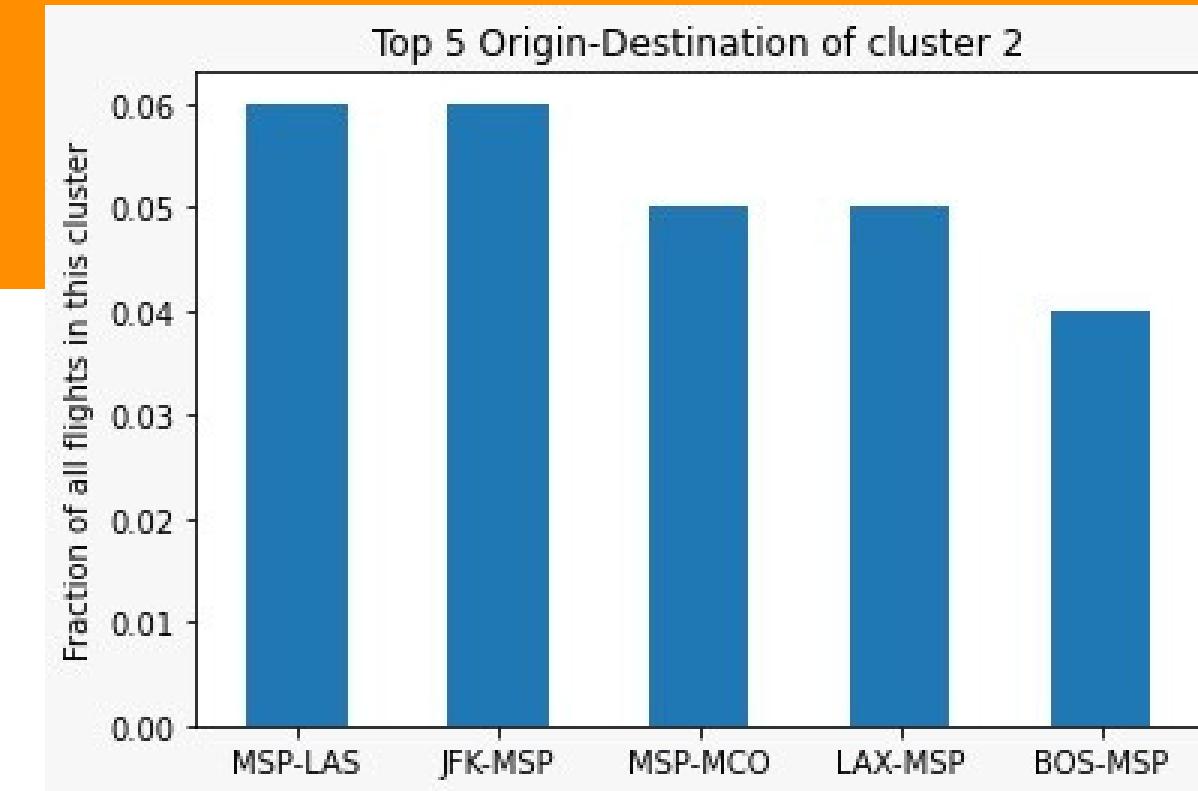
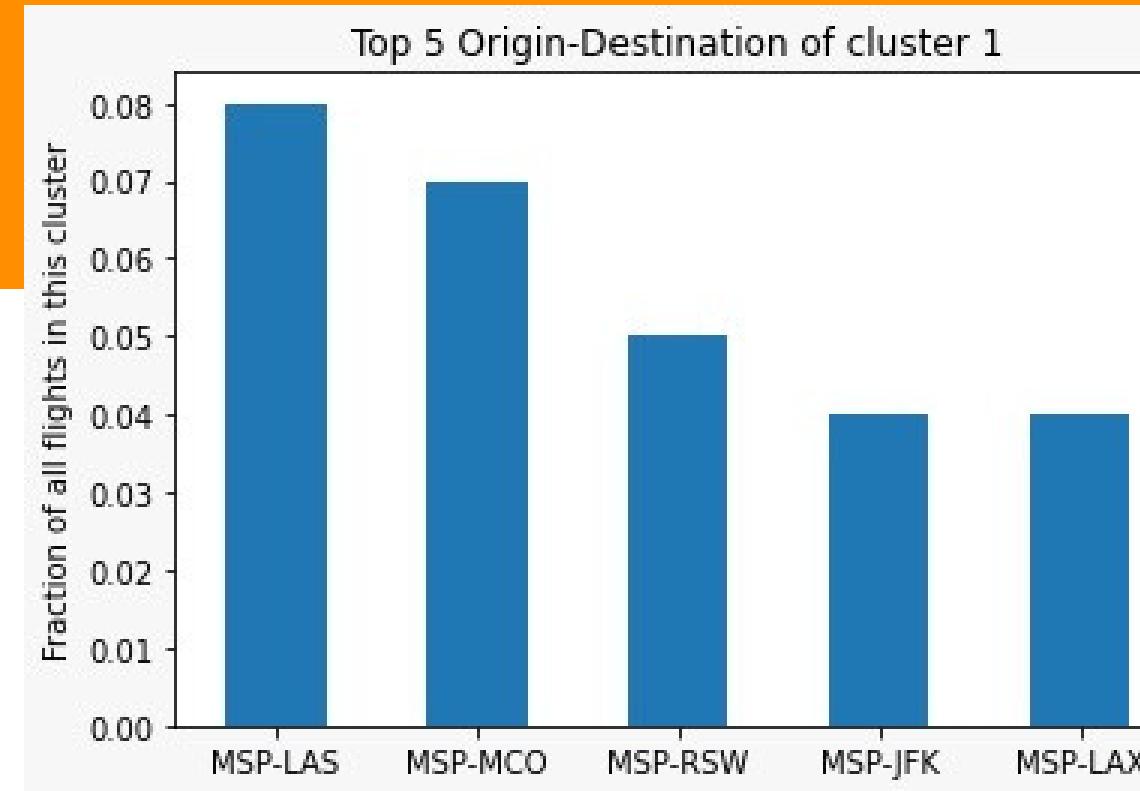
# 4



## Cluster - 4 : High spending loyal members

- Group consists of 35% of members (with all elite customers under its hood)
- They travel approximately thrice in 2 years.
- 60% of bookings are through Reservations and 40% through SCA portal
- 25% of the tickets booked are first class

# Recommendations



Using the different customer groups, we can visualize the top origin and destinations for each, while focusing on the different kinds of promotions that the company can focus on for the most common flights.

# Recommendations



01

Discounts can be focused on the top routes for each segment, proportional to each route's usage. For example, 8% of the allocated marketing spend on discounts can be focused on the top route in customer group 1.

02

Customer group - 4 has 35% members who book through SCA website using their membership portal. As these customers travel the top routes almost thrice in 2 years, for every 3 tickets bought, Sun Country can provide offers on the next ticket. This would help in customer retention at the elite and standard class.

03

Vacation travelers often book accommodation at their destination along with a flight ticket. As Sun Country has partnerships with resorts and hotel operators, tickets can be offered with free accommodation for the travel date to attract more customers.