



CUSTOMER SEGMENTATION
ANALYSIS OF



Sun Country

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GROUP D

Business Objective

- To better understand Sun Country Airlines customers by identifying meaningful customer segments and their key characteristics
- Offer consumer insights to drive ticket sales, increase enrollments in Ufly Rewards Program, and optimize online booking channel

Model & Findings

- **5 customer segments** have been identified from the Sun Country Airlines data using the *Gaussian Mixture clustering* method*:
 - The number of clusters is selected based on the silhouette score and potential business benefits



Cluster Features

Attributes used for grouping clusters



Spending

Average spent
per ticket



Frequency

Average number
of trips per year



Free Ticket

% of zero base
fare out of all
trips



Group Trip %

% of trips, traveler
flew in group



Booking Time

Average # of days
ticket is booked
prior trip (per trip)



Trip Duration

Average trip
length (days) per
trip



Membership

Member (Standard
& Elite) vs
Non-member

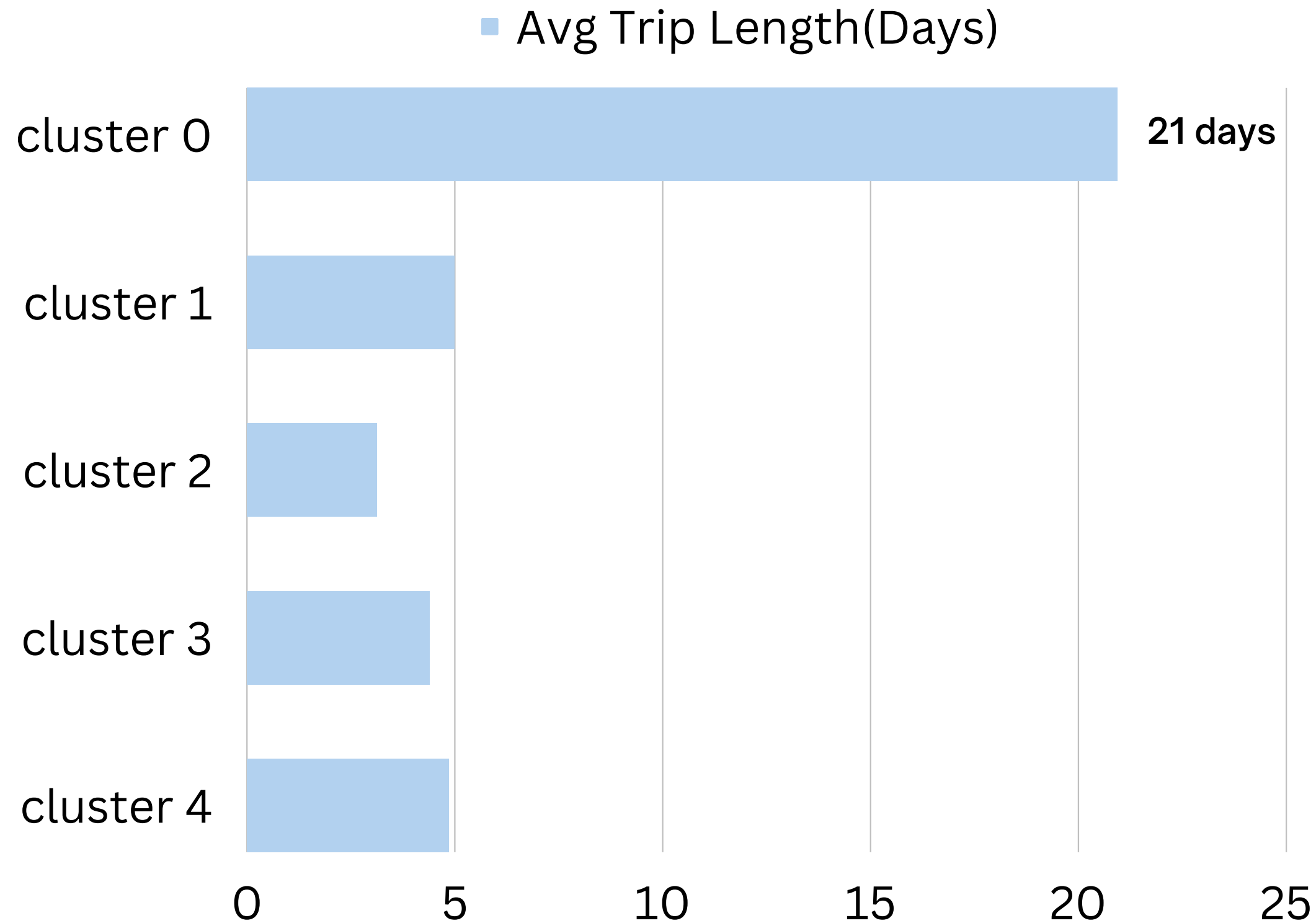
Cluster Characteristics



Clusters	0	1	2	3	4
Passengers #	33,599 (2.2%)	279,429 (18.3%)	493,811 (32.4%)	559,939 (36.7%)	117,760 (7.7%)
Age (Majority)	Middle Age and Senior (56+)	Middle Age (36-55)	Young Adults (18-35)	Middle Age with kids	Age 18-55
Total Spending	46.56M (4.5%)	239.77M (23.7%)	319.18M (31.6%)	405.63M (40.1%)	180K (~0%)
Top 1 Booking Channel	SCA website Booking	SCA website Booking	Outside Booking	Outside Booking	Tour Operator Portal

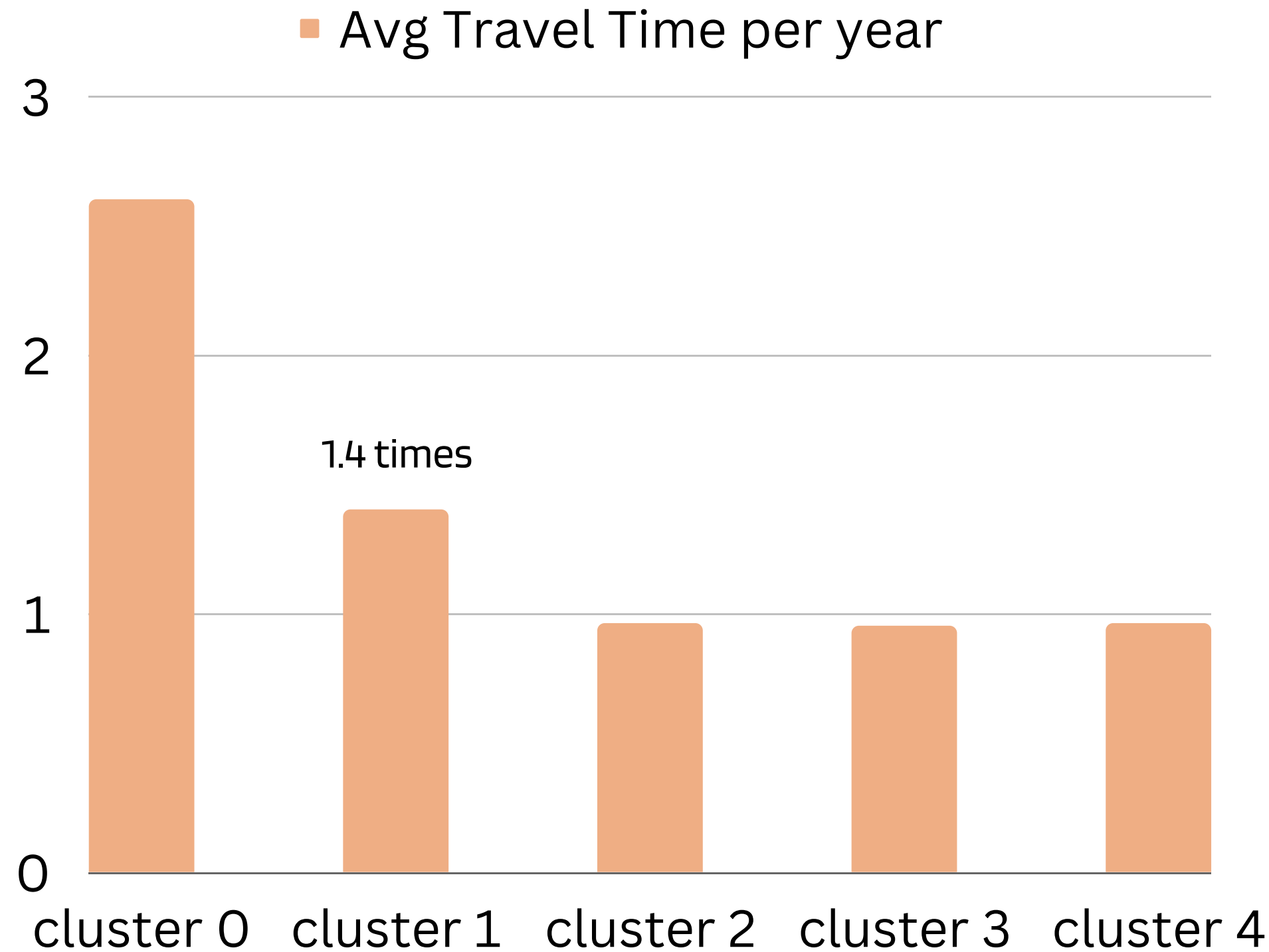
*More comprehensive cluster information can be found in the appendix

Cluster 0 - Long Trip Travelers



- Longest trip duration
- Flew most frequently: 2.6 times/year
 - 60% traveled 2 + times
 - 26% traveled 3 + times

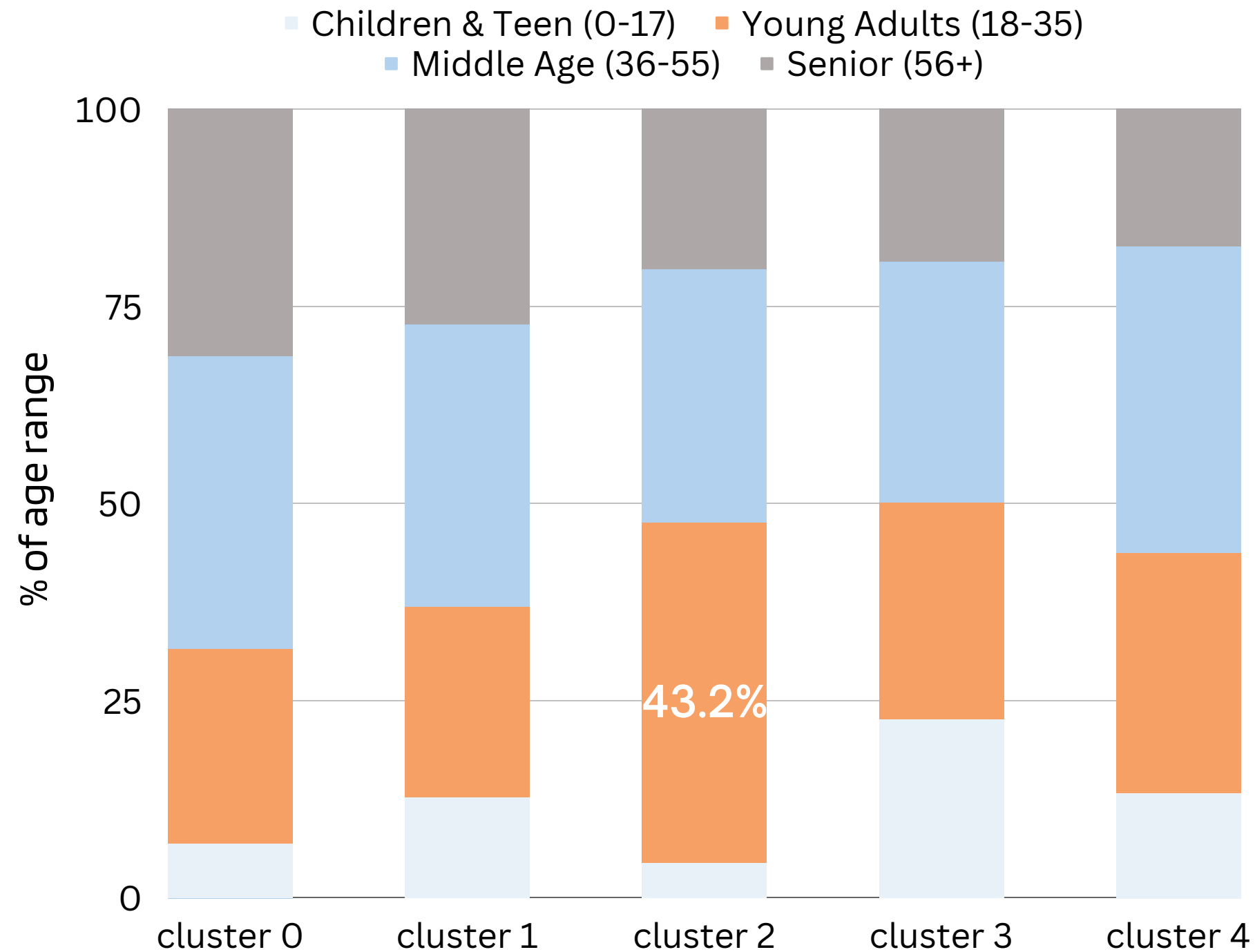
Cluster 1 - Frequent Group Travelers



- 91% were flying in groups
- 57% are Ufly members
- Second most frequent travelers:
 - 90% traveled 1 + time/year
- Popular months: March & December
- Popular cities: LAS & Florida (MCO & RSW)

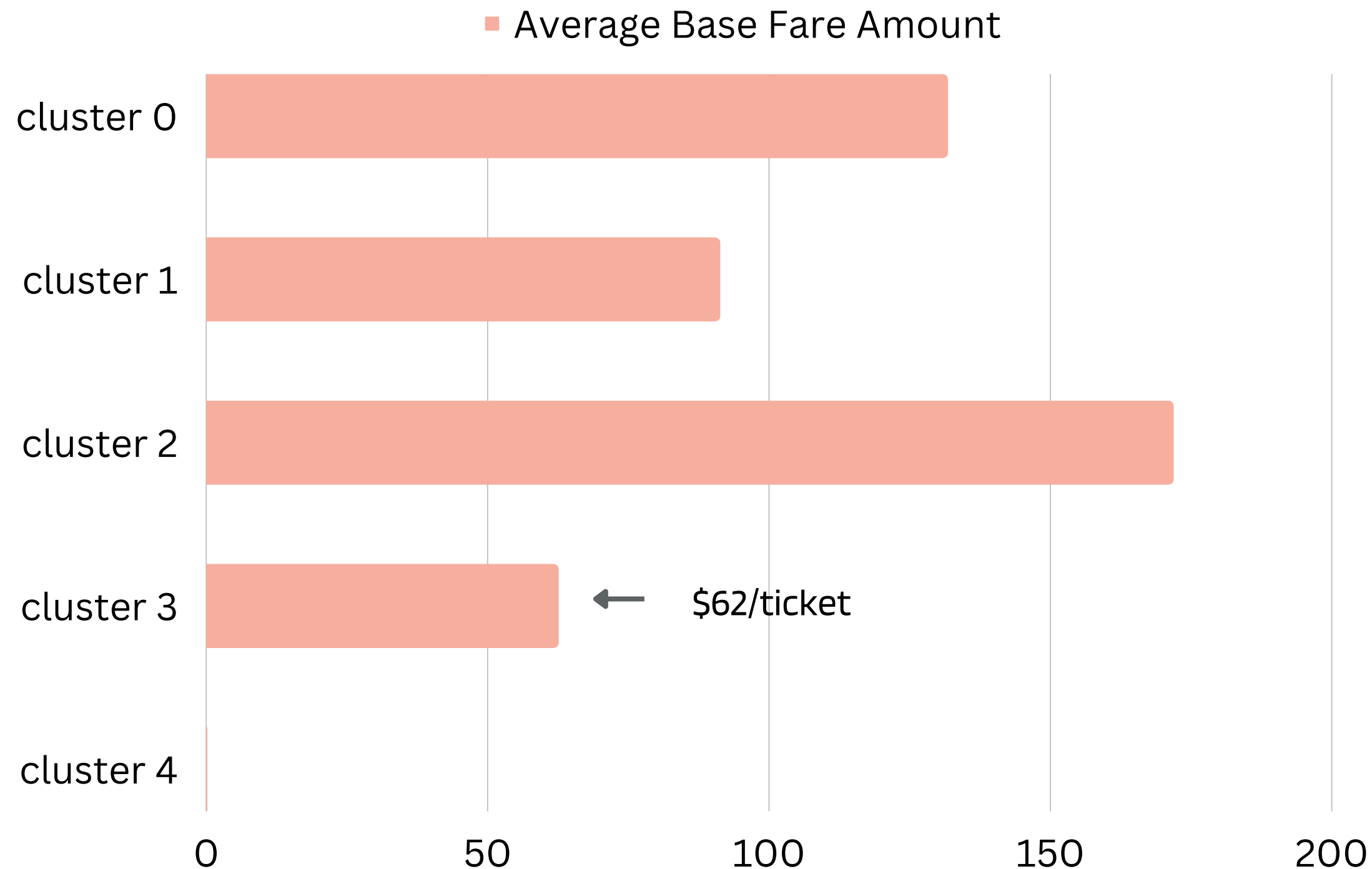
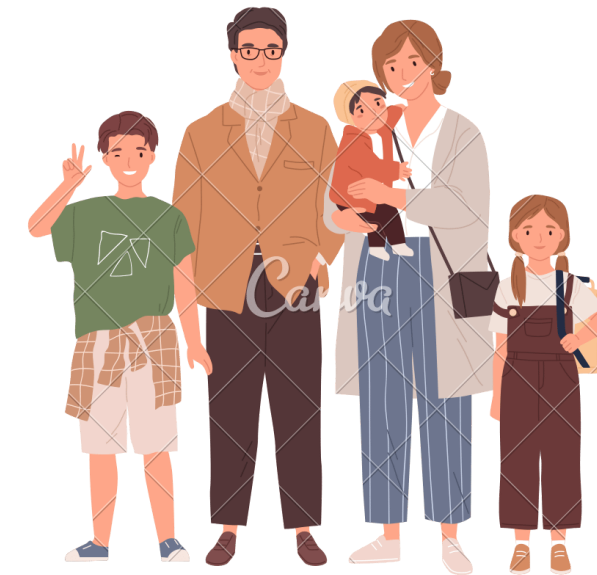
Cluster 2 - Young Solo

Age Distribution



- 100% flying solo
- Mostly young adults (18-35)
- Popular months: December, July, and August
- Top destinations:
 - Q1: LAS
 - Q3 - Q4: JFK, SFO, and LAX

Cluster 3 - Low Spending Family



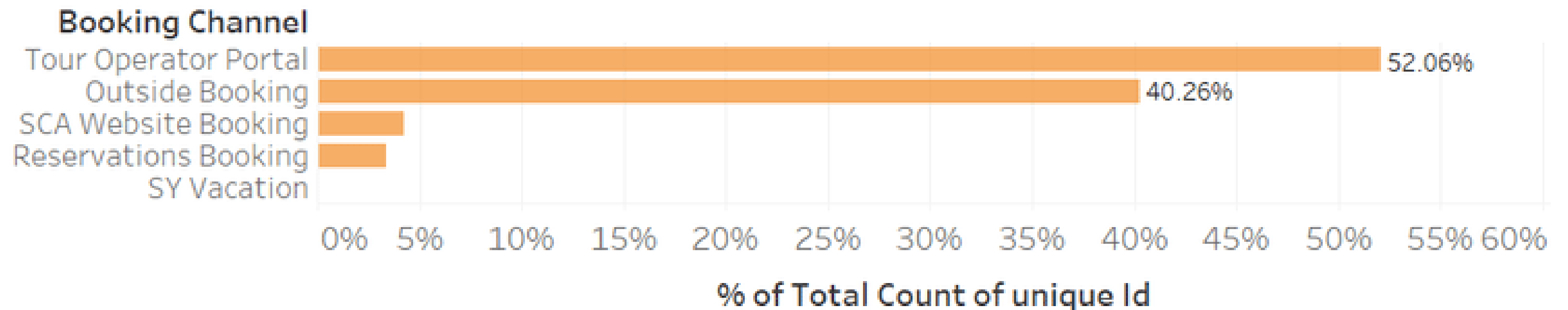
- Lowest average spending among non-zero spending clusters
- 100% traveled with family
 - Highest proportion (22%) of children & teenagers
- Largest cluster
- 0% Ufly member
- Popular months: March, July, and August
- Top Destination: MCO - Orlando

Cluster 4 - Tour Operator Travelers



- Mostly booked from Tour Operator Portal and Outside booking
- 100% flying with free tickets
- 83% traveled in groups

<Tour Operator Travelers Top Booking Channels>

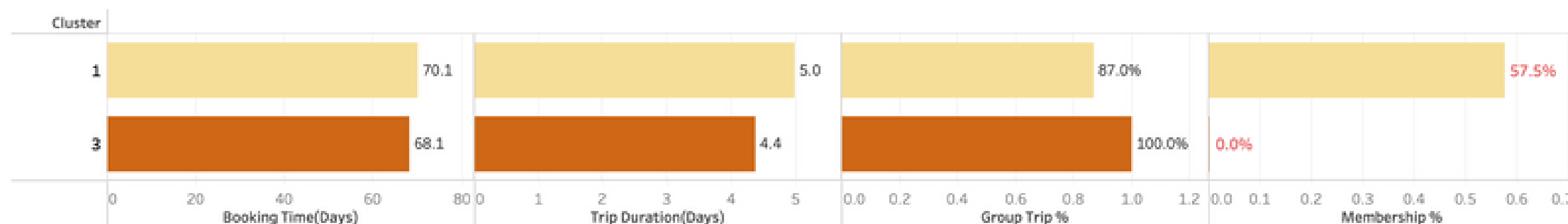


Recommendations

Sign-up Bonus for Family Group

- **Opportunity**
 - Cluster 3 as the largest cluster has similar flying habits as cluster 1 but has no member
 - Should target cluster 3 (low-spending family group)
- **Recommendation**
 - *Offer one-time sign up bonus of 10000 points for signing up for Ufly rewards program and book first trip with 3 or more people*

Cluster 1 and Cluster 3 Comparison

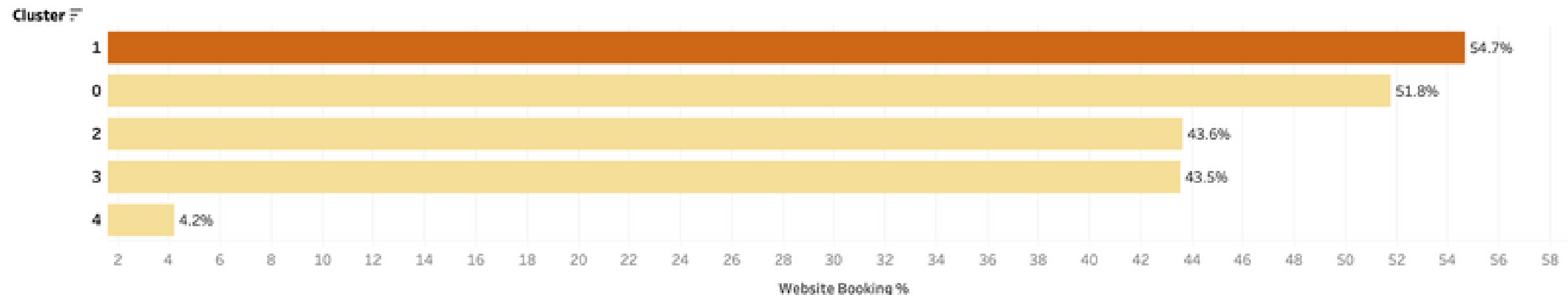


Recommendations

Customized Website Banners

- **Opportunity**
 - Cluster 1 (frequent group travelers) mostly books on the Sun Country website
 - Top travel destinations: Las Vegas, Orlando, Cancun, and Dallas
- **Recommendation**
 - *Optimize the website booking experience and drive ticket sales with customized websites ads banners to show deals of these top destinations.*

Website Booking % Comparison Across Clusters

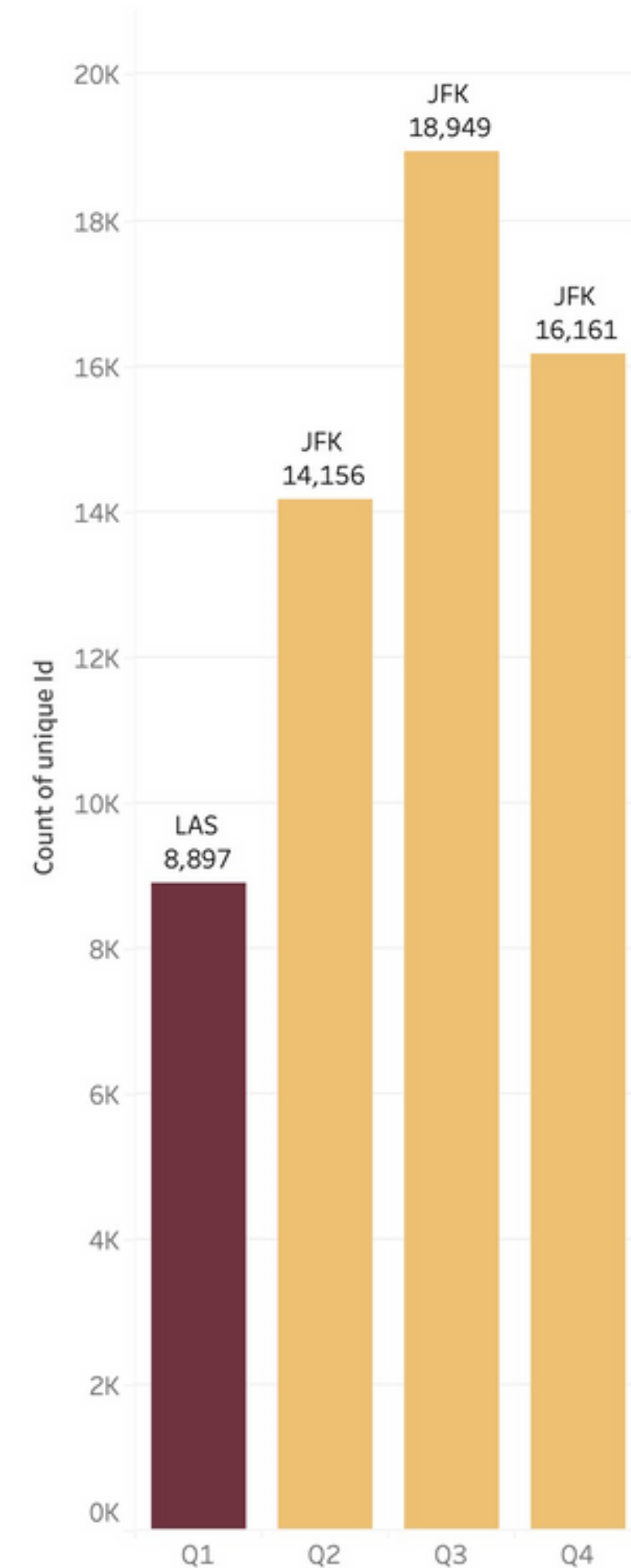


Recommendations

Direct Marketing

- **Opportunity**
 - Cluster 2 (young solo) top destinations:
 - Q1: Las Vegas.
 - Q2-Q4: New York
 - Average booking time: 36 days prior to flight time
- **Recommendation**
 - Sending marketing campaign emails to this group around December with ticket & hotel bundle deal

Cluster 2 Top Destinations by Quarter



THANK YOU

Appendix



Long Trip Travelers



Frequent Group Travelers



Young Solo



Low Spending Family



Tour Operator Travelers

Clusters	Long Trip Travelers	Frequent Group Travelers	Young Solo	Low Spending Family	Tour Operator Travelers
Avg Spending	\$131.64	\$91.19	\$171.72	\$62.51	\$0
Frequency/year	2.6 times	1.4 times	0.96 times	0.95 times	0.96 times
Avg Free Tickets	30% free tickets	No free tickets	No free tickets	No free tickets	All free tickets
Group vs Solo	57% Group	91% Group	All Solo	All Group	82% Group
Avg Booking Time	56.06 days prior	70.12 days prior	36.98 days prior	68.14 days prior	32.08 days prior
Avg Trip Duration	20.93 days	4.98 days	3.11 days	4.37 days	4.85 days
Membership	51.8% members	57.5% member	15.7% member	Non-member only	10.2% member