

# Customer Segmentation for Sun Country Airlines



# Introduction



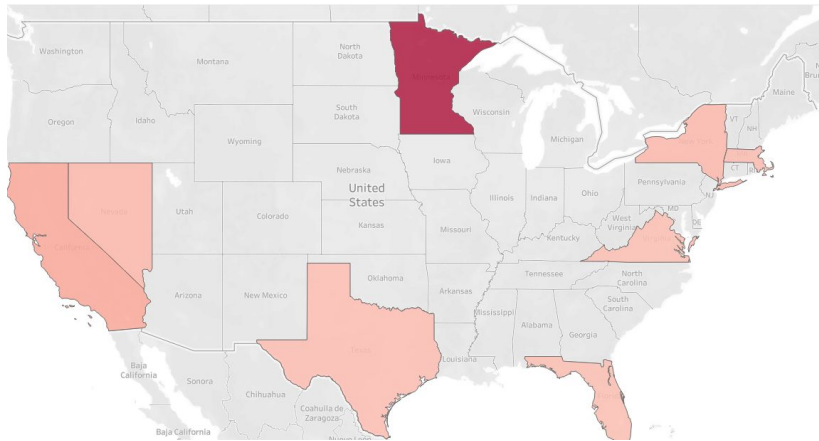
- Sun Country Airlines is a Minnesota homegrown Airlines.



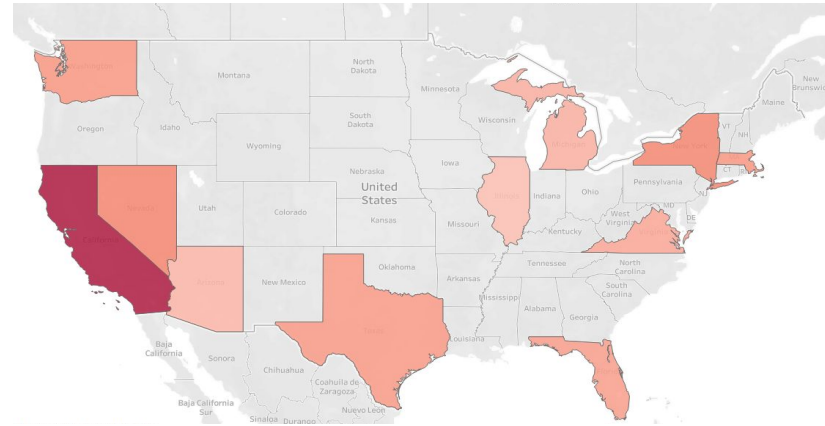
- Our task is to find potential VIP passengers and deal with the leaking revenue from round trip rivalry.

# Overview-Domestic Routes

## Most popular start points



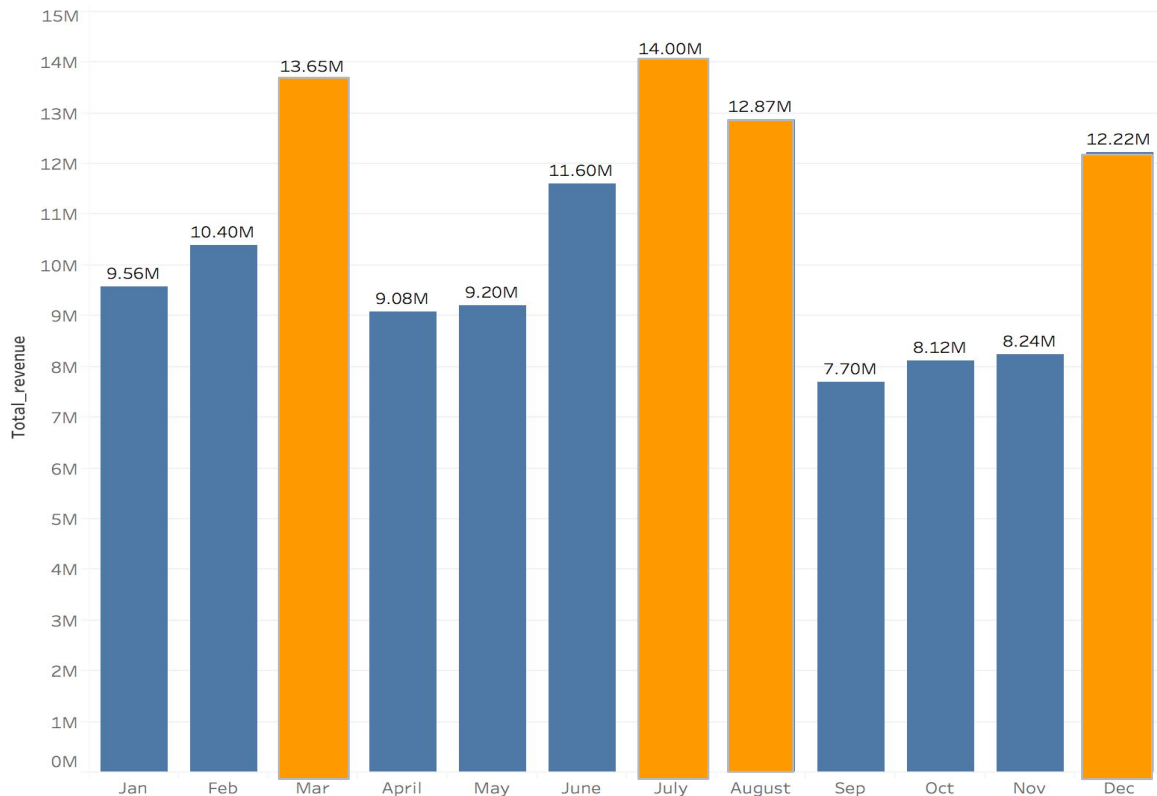
## Most popular destinations



\*Domestic destination with flights more than 50k

# Overview-Revenue

Total revenue across different months

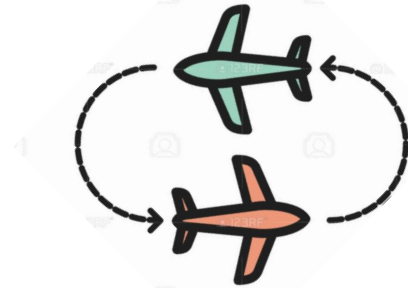


- **Spring break** travelers contribute 11% of sales
- **Summer holiday** travelers contribute 21% margins
- **Christmas** passengers bring 10% revenue.

# Two Main Focuses



**Convert customers to U-Fly loyalty program**



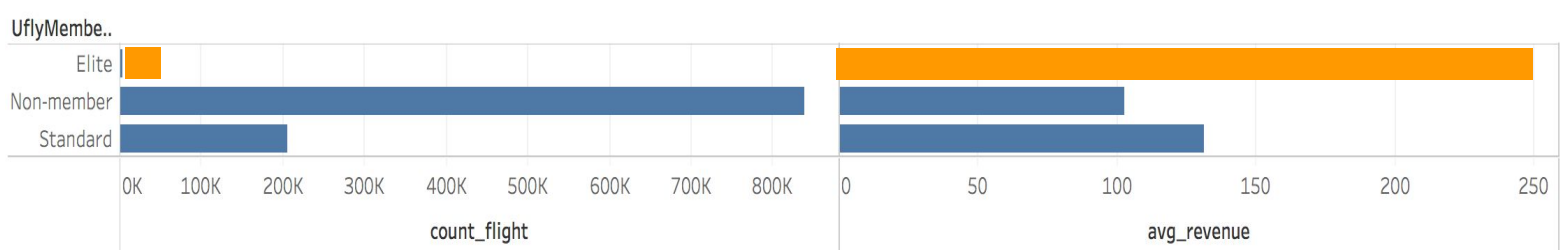
**Encourage passengers to buy round tickets**

# Loyalty Program



## U-fly Members Profile

- Members count for only 20% of all passengers while contribute to 71% of total revenue. Elite member even spend 25% more



- Members fly more frequently with First Class.
- Book tickets from Sun Country website without planning ahead

# Non-membership customer segments

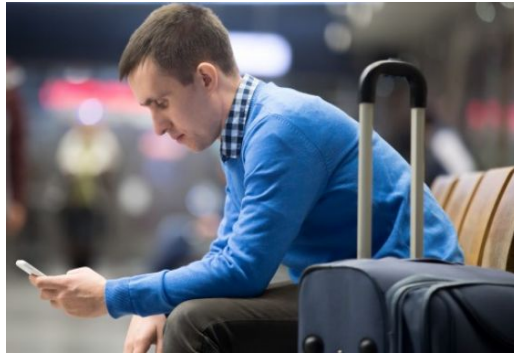
## Business Professional

- Mid-aged
- Fly to New York, Los Angeles
- Avg value: ~350\$/flight
- Buy in the last minutes



## Transfer Passenger

- Young aged
- Stop-over by Alaska
- Avg value: ~400\$/flight



## Vacation Traveler

- Solo and families
- Vacation to Cancun
- Fly in first quarter
- Avg value: ~450\$/flight



# Round Trip Loss



## Encourage passengers to buy round tickets

- Leaking revenue due to rivalry in return trip
- Target on the round trip passengers

### Estimated Loss

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265,000 passengers start their journey from Minnesota without booking the returning ticket with Sun Country.  
Estimate loss of \$93M.



# Potential Round Trip Passengers

## Metropolitan City Travel

- Mid-aged
- Fly to New York, Los Angeles
- Book 15-20 days in advance



## Leisure Destinations

- Solo
- Bay Destination



## Other

- Random individuals





# INTEGRATED SEGMENTATION



# for Business Travels

A person in a business suit walking through a modern office space with large windows.

## Business Professionals

- Metropolitan Cities
- Around 40s
- Weekdays, business
- First Class
- Book ticket 15-30 days before

A group of people in casual summer attire standing outdoors under a blue sky with clouds.

## Vacation Travelers

- Solo and Families
- Weekdays
- Outside Booking
- Book ticket 60 days

A person looking out over a vast, open landscape under a cloudy sky.

## Solo Travelers

- Young Adults
- Vacation to Bay Areas
- Coach Class
- Book ticket 45-60 days before

A close-up of a person's face, partially obscured by snow or frost.

## Snow Birds

- Solo and Families
- Vacation to warmer areas
- Book ticket 45 days before

# Convert Customers to Loyalty Program



## Membership Target Groups

## Recommendation

### **Business Professionals**

Free upgrade to First Class, or spacious seats for businessman; Offer flexibility on refundable tickets

### **Transfer Passengers**

Offer free Lounge in the airport for the U-Fly members to take a rest and ready for the next journey

### **Vacation Travelers**

Offer free Wi-Fi, dining discounts, shopping bonus to attract more young travellers join in this program

# Route Analysis - Recommendation



## Round Trip Target Groups

**Metro Cities**

**Leisure Cities**

## Recommendation

Free upgrade to First Class, offer discount on Sun Country website for enterprise booking, quick access for check in combined in return ticket package.

Offer free Lounge in the airport for the U-Fly members to take a rest and ready for the next journey  
Offer free Wi-Fi, dining discounts, shopping bonus to attract more young travellers join in this program

**Thank You**

**Team 11**

