

Sun Country Airlines Team Case Assignment

SEGMENTATION ANALYSIS

Presented By

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EXECUTIVE SUMMARY

We identified 5 segments in the Sun Country Airlines data using the K-Means Clustering method, assuming that there are 5 centroids.

Using Tableau, we will visualize the segment data, identifying their key characteristics.

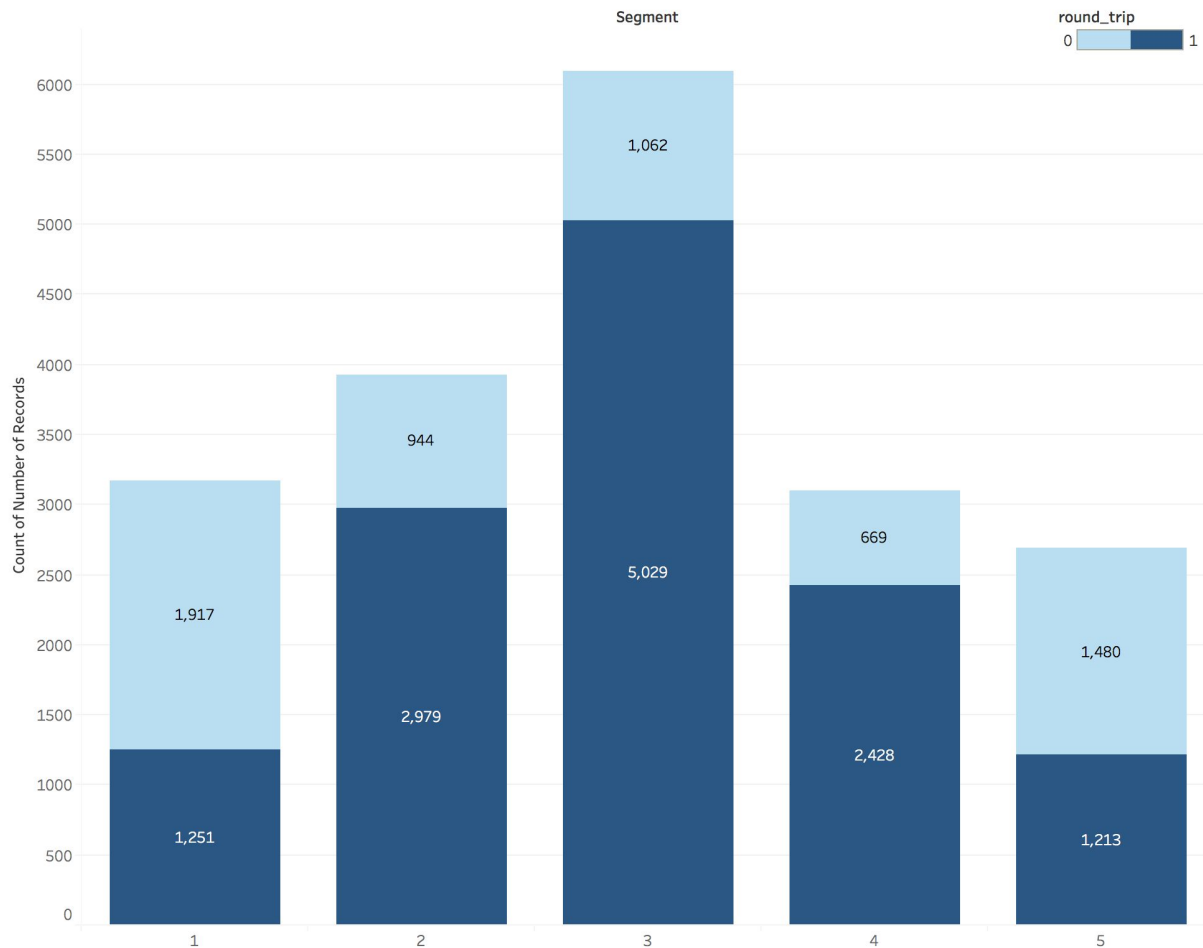
Finally, based on our segmentation analysis, we will offer the executives of Sun Country Airlines (Warnken and Vaughan) advice on how better achieve their business objectives.

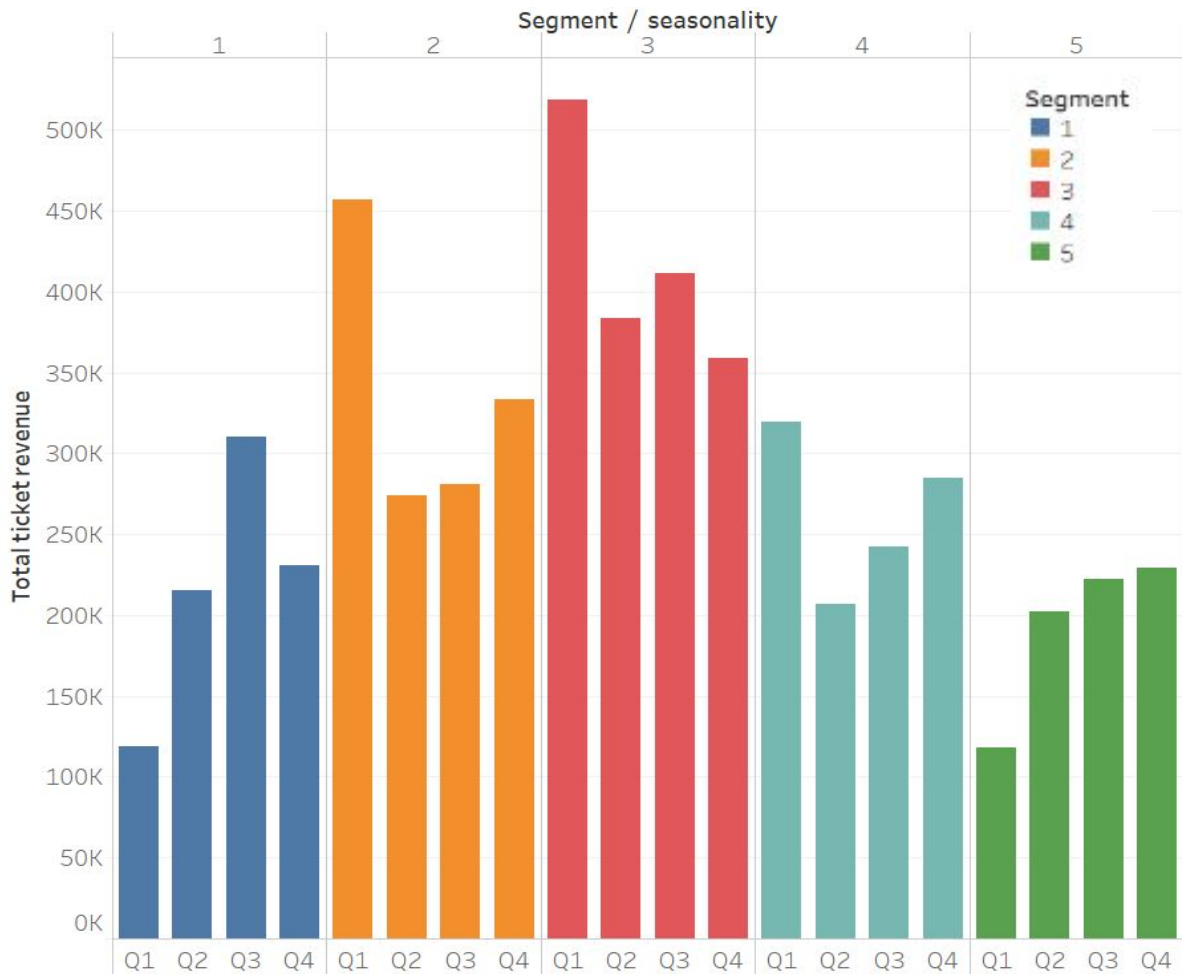
ROUND TRIPS TAKEN BY SEGMENTS

DARK BLUE indicates the number of round trips booked and **LIGHT BLUE** indicates the number of one-way trips booked.

Segments 2, 4, and especially 3, have larger number of records who would like to take round trip compared to single.

However, in Segments 1 and 5, people prefer to book single trips.



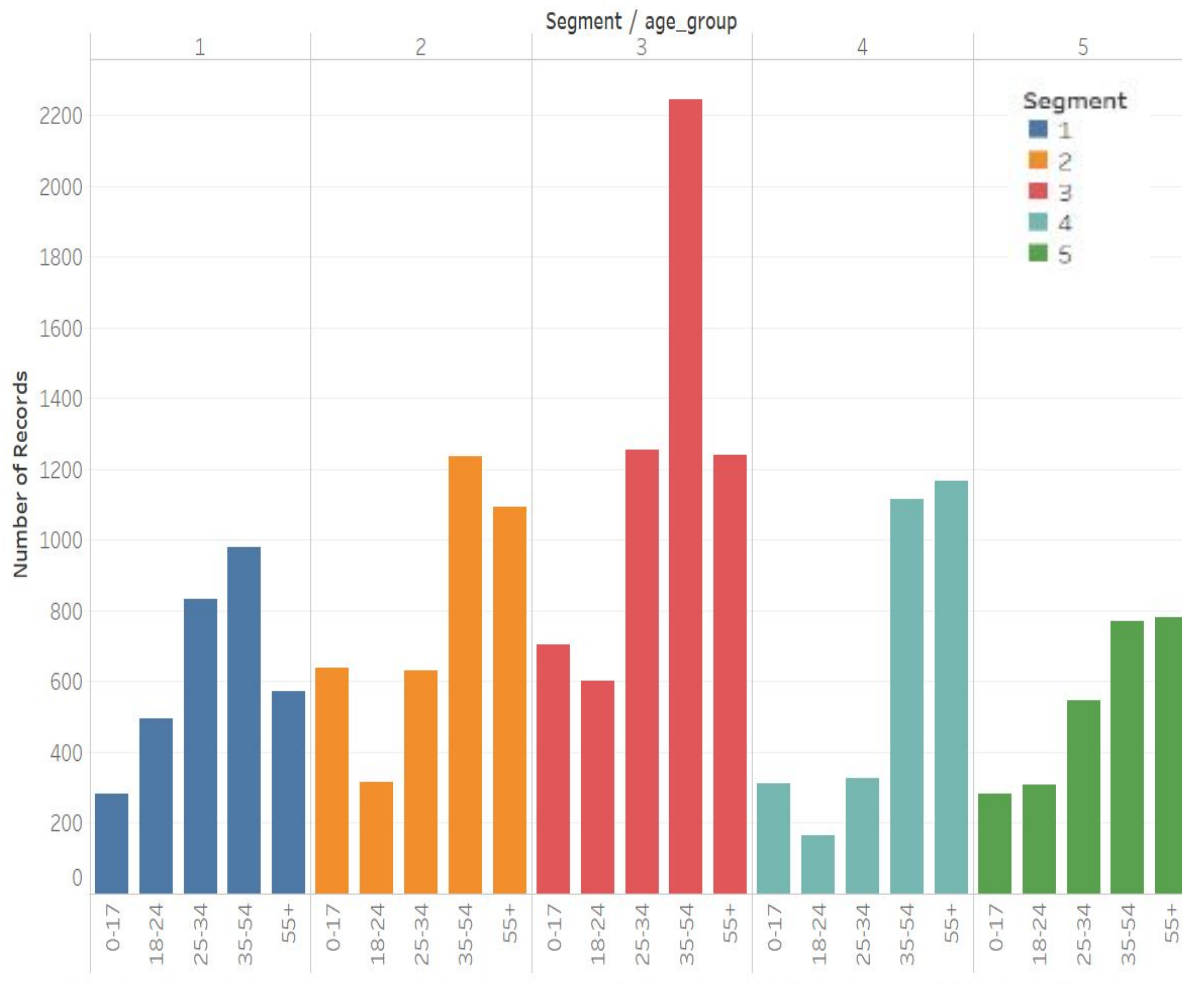


SEASONALITY OF TRIPS IN DIFFERENT SEGMENTS

Segments 2 and 3 indicated largest total transaction amount in the first quarter, while segment 1 showed largest in the third quarter.

Customers in segment 4 placed more travel orders in the first and the last quarters.

Segment 5 showed less transaction volume in spring quarter but more transaction in the other seasons.



AGE GROUP IN DIFFERENT SEGMENTS

Segment 1 has more young adults compared with other segments.

Segment 3 has a larger proportion of customers falling in 35-54 age group.

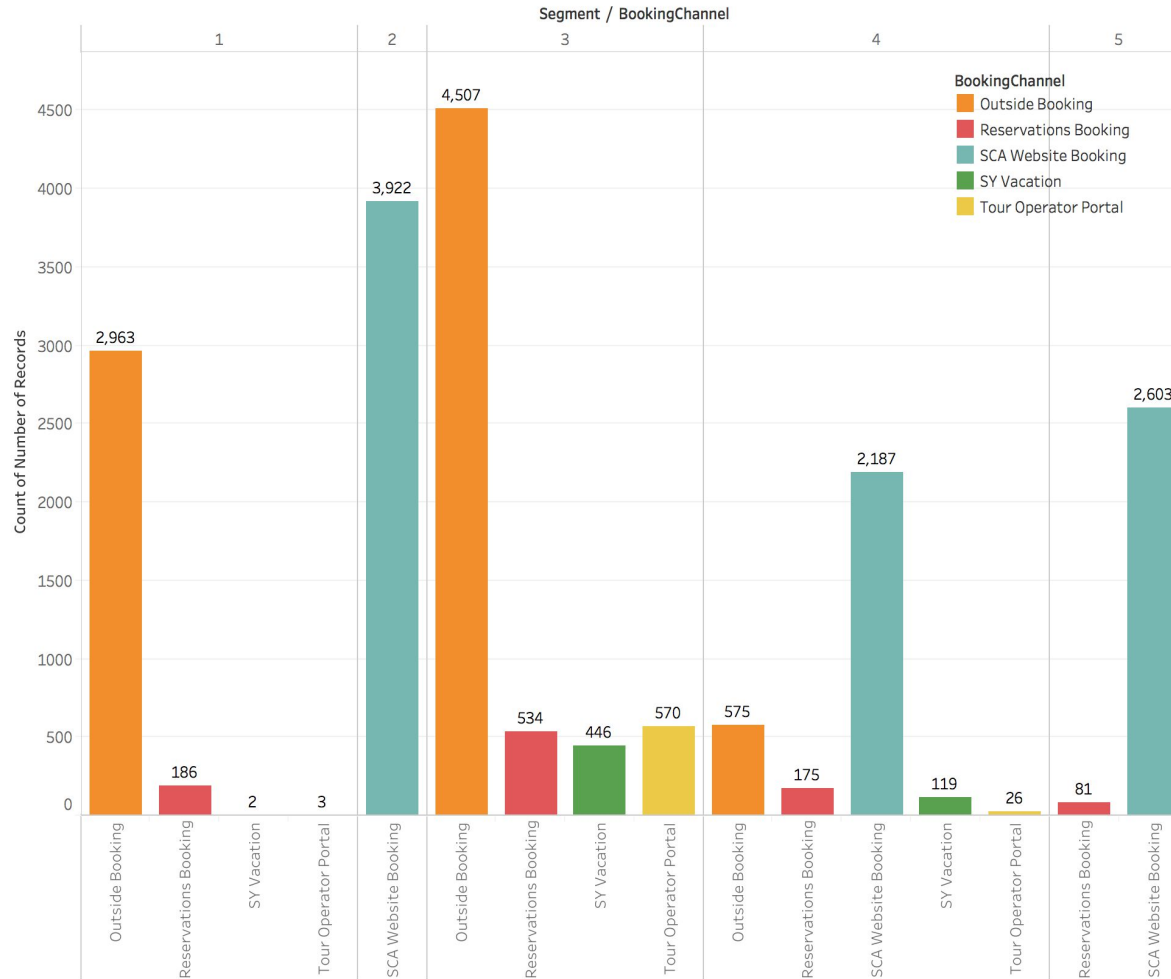
Segment 2 and 4 both have more customers older than 35 years old.

BOOKING CHANNELS BY SEGMENTS

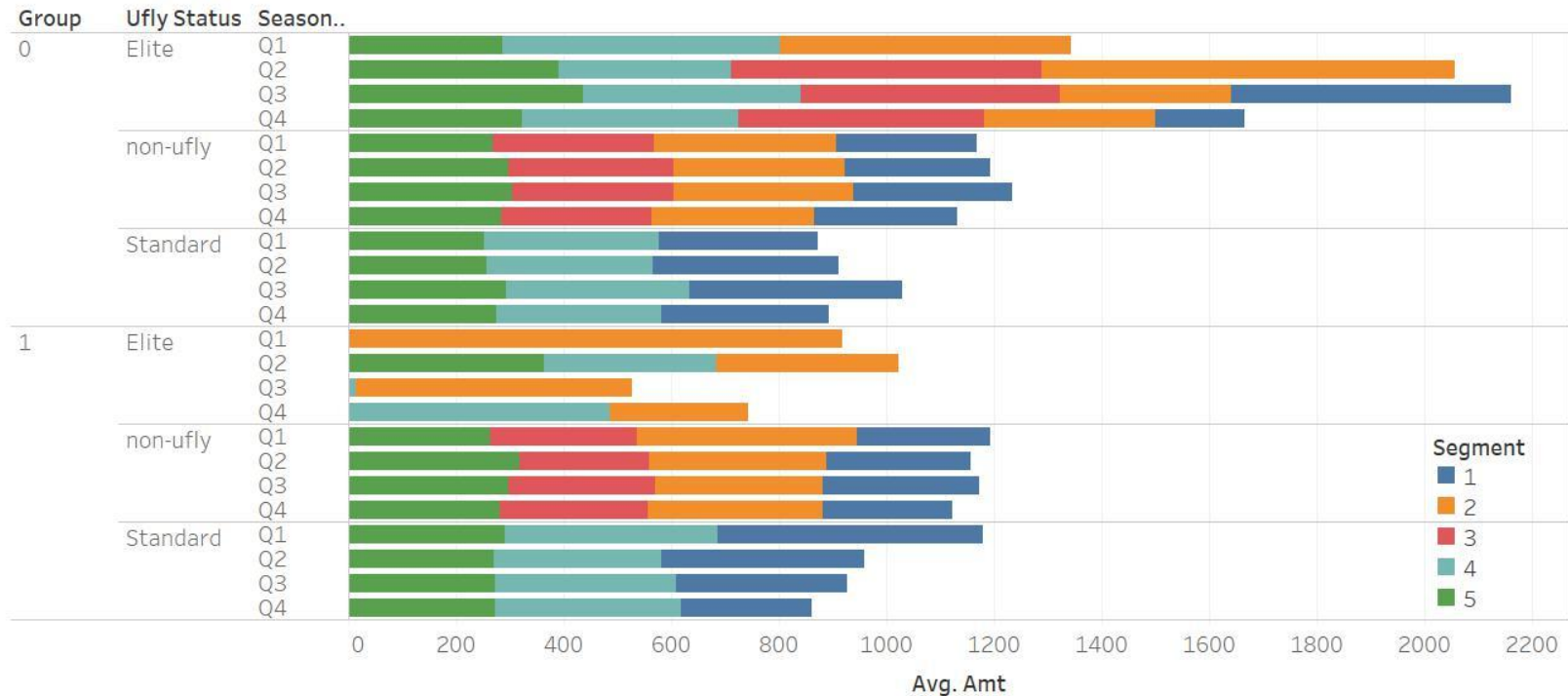
Travelers in segments 1 and 3 prefer outside booking sources vs. clients in segments 2, 4 and 5 prefer booking on the airline's website.

Outside Booking and SCA Website are preferred versus others.

Segment 3 had about twice as many bookings compared to other segments.



TARGET MARKETING BASED ON UFLY STATUS AND GROUP



Elite Customers from Segment 2 who travel in groups spend a lot in Q1 and Q3. Elite Customers from Segment 3, 5 don't travel in Q1 and in groups. Segment 1 has Elite Customers who travel alone only in Q3 and Q4 which can be used for Target Marketing..

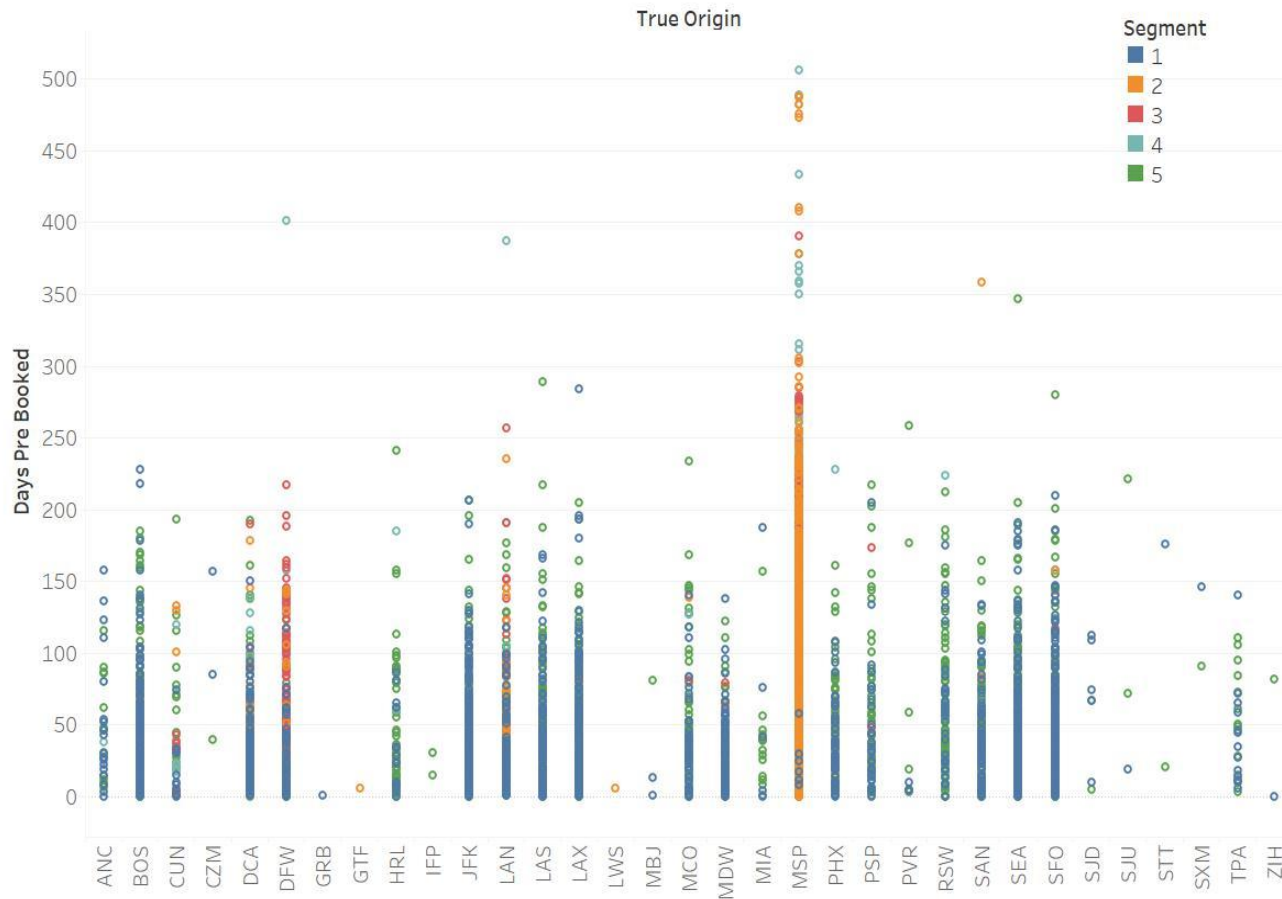
DAYS PRE BOOKED BY TRUE ORIGIN AND SEGMENTS

Segments 1,5 have customers who make **LATE RESERVATIONS**.

Majority of customers in Segments 2 have MSP as their True Origin.

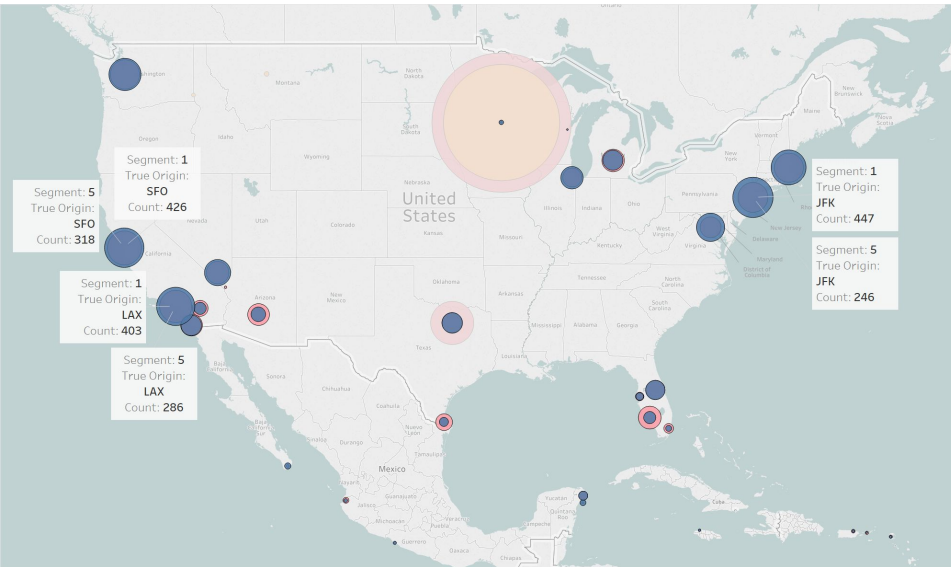
Segments 3,4 book Tickets earlier in comparison to Segment 1,5.

Promotional Strategy and Target Marketing for the segments can be done based on days pre booked.

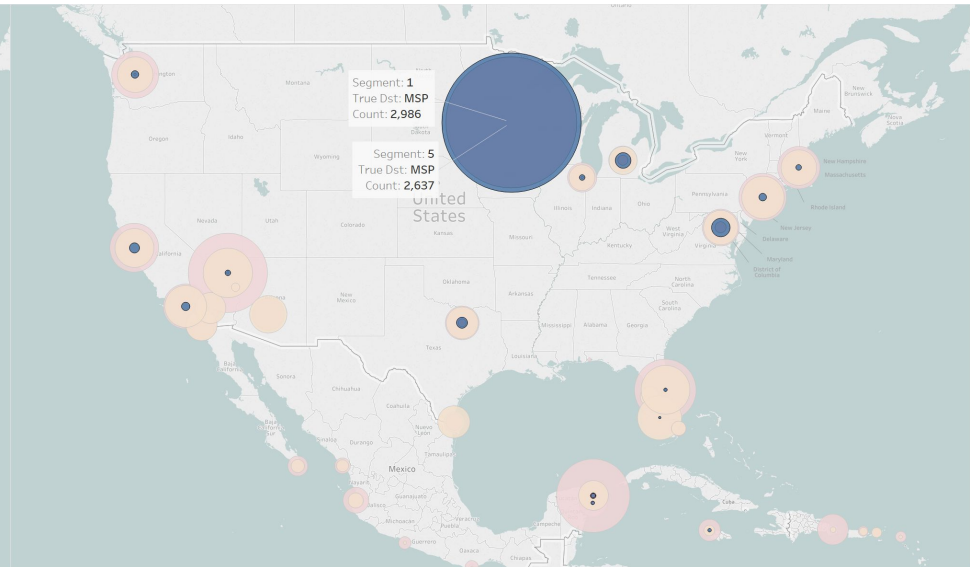


ORIGINS AND DESTINATIONS FOR SEGMENTS 1 & 5

True Origin Airports



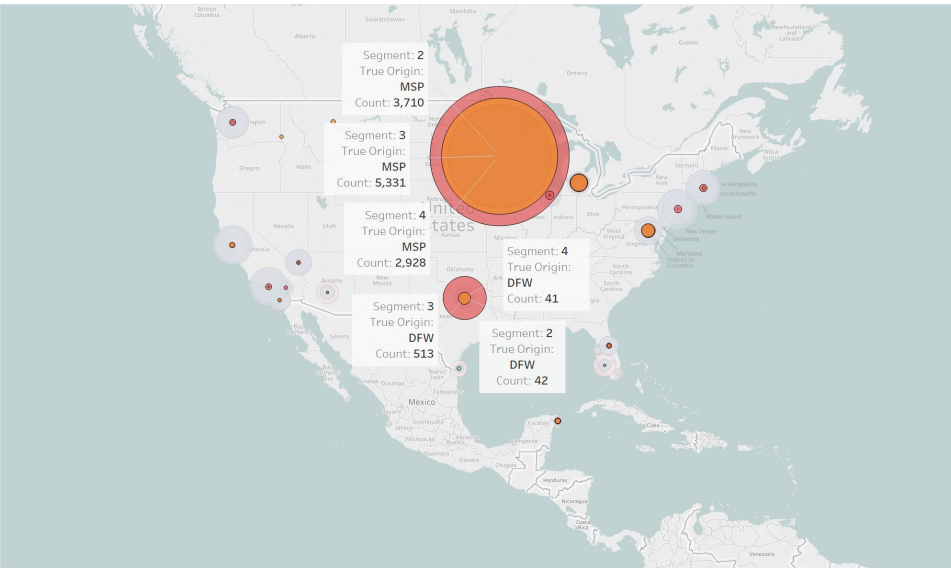
True Destination Airports



Customers in both segment 1 and segment 5 share similar travel patterns, originating from major cities such as Los Angeles, San Francisco and New York, designating the Minneapolis–Saint Paul International Airport (MSP) as the most popular destination. From a total number of 5861 customer records in Segments 1 and 5, 5623 records indicated MSP airport as true destination (~96%).

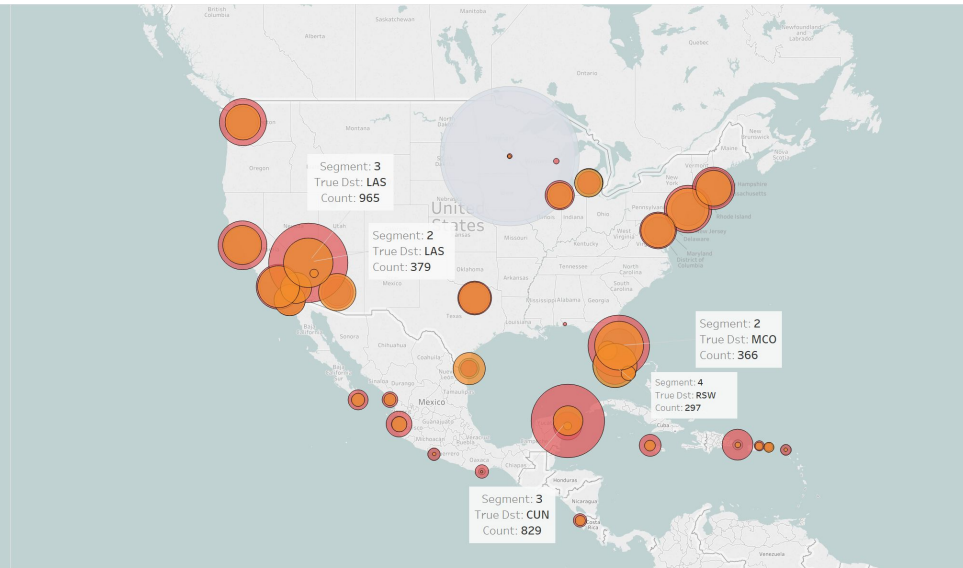
ORIGINS AND DESTINATIONS FOR SEGMENTS 2, 3 & 4

True Origin Airports



Map based on Longitude (generated) and Latitude (generated). Color shows details about Segment. Size shows count of Number of Records. Details are shown for True Origin.

True Destination Airports



Map based on Longitude (generated) and Latitude (generated). Color shows details about Segment. Size shows count of Number of Records. Details are shown for True Destination.

However, customers in segments 2, 3 and 4 exhibit strikingly inverse travel patterns when compared to segments 1 and 5.

11969 out of 13111 customer records indicated MSP airport as true origin (~91%).

While, Vegas, Orlando and Cancun are the top destinations with ~13%, ~9% and ~8% respectively.

KEY CHARACTERISTICS

Segments	One-way/ Round Trip	Booking Channels	Age Groups	Seasonality	True Origins	True Destinations
1	Single Trip	Outside Booking	Young Adults	Q3	JFK, SFO, LAX	MSP
2	Round Trip	SCA Website	Seniors	Q1	MSP	LAS, MSO, CUN
3	Round Trip*	Outside Booking	35-54 age group*	Q1	MSP	LAS, MSO, CUN
4	Round Trip	SCA Website	Seniors	Q1, Q4	MSP	LAS, MSO, CUN
5	Single Trip	SCA Website	Seniors	Q2, Q3, Q4	JFK, SFO, LAX	MSP

TAKE AWAYS

- ❖ **Segment 1:** Young adults booking one way tickets - multiple reasons could be behind it like students graduating and going back home, students starting school in MSP
 - *2 free check in bags if you are a student or a fresh graduate*
 - *Promote booking via website (gain more points on your account during Q3 if you book through the website)*
- ❖ **Segment 2:** Seniors booking through SCA Website, trying to escape cold weather to vacation places like Las Vegas or Cancun - round trips after Christmas(Q1)
 - *Partner up with local hotels to get cheaper rooms*
 - *Vacation coupons*

TAKE AWAYS

- ❖ **Segment 3:** From the age group we could infer that married couples with grown up children book round trip vacations from Minnesota to Las Vegas, Orlando or Cancun in Q1. They prefer using outside booking source.
 - *Valentines/couple get aways coupons if you book through SCA Website*
- ❖ **Segment 4:** Very similar analysis to segment 2 with only difference in increased activity during Q4 (Christmas or Thanksgiving get away)
 - *Similar advice to segment 2 with more emphasis on trips during New Year's Eve and Christmas*
- ❖ **Segment 5:** Seniors going back home for retirement or older people moving out of metropolitan cities (JFK,SFO,LAX)
 - *More benefits for people over 65 (cheaper flights, priority booking, cheaper first class tickets)*