

Sun Country Project Analytics Case

MSBA 6250, Spring 2019

Group 2

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Sun Country is trying to develop marketing initiatives and product offerings around key customer segments, but they currently have little insight on their traveler base. Fortunately, they do have a significant amount of information about their travelers that will allow us to gain insights. However, there were some significant challenges in working with and interpreting their data set. There were instances of inaccurate information (i.e. traveler age of -2,883), empty or missing values, multiple trips associated with the same key identifier, membership status only determined at the time of booking rather than updated based on a travelers status today, and limited information about the traveler's true original and final destination(s) (since Sun Country may not be the only airline involved in their travel itinerary).

Sun Country travelers are diverse with a variety of travel preferences. They have a large presence of travelers in each age group, with the largest share being 25-34 and 45-54 years old. While only 18% of travelers are Ufly Members they make 23% of total sales. Members spend \$28 per ticket more than non-members. Elite members spend \$144 per customer more than non-members, traveled 10 times more in this 2-year period, and female Elite members outspent male Elite members by \$24 per ticket. Vaughan is right to drive Ufly program enrollment, guiding members to achieve the highest tier Elite status, especially for female Elite members. Another added value to increased membership is improved data integrity, which makes future analysis more manageable with less need for data scrutiny and clean up.

There are two groups we identified to target for Ufly membership: 25-34 year-olds, and 35-54 year-old males. **25-34 year old** travelers make up a large share of our travelers. This age group has the largest incremental spend when they convert to members, but there is a lot of volume in this group, meaning small increases in spending per member can add up to a meaningful amount of revenue. There is also longevity in this group. Converting them to members earlier in their lives will continue to pay off for many years. **35-54 year-old males** have the largest incremental spend between members and non-members. These members spend approximately \$45 more than their non-member counterparts and they are travelling more often. This is a smaller group, but the incremental spending difference is greater than all other groups.

We cannot fully answer Warnken's question about travel patterns because we are unable to confirm that all end cities are the final destination for all travelers. For example, LAX and JFK are large international hubs. Sun Country travelers to these locations may be traveling on to other cities. This is an opportunity to request more information from travelers at booking so we can better understand their trips and vacations. Flyers may be hesitant, or just not interested, in supplying more information. It is unknown how much this collection would be able to explain but understanding more about a traveller's overall travel plans will help Sun Country evaluate future route expansion opportunities.

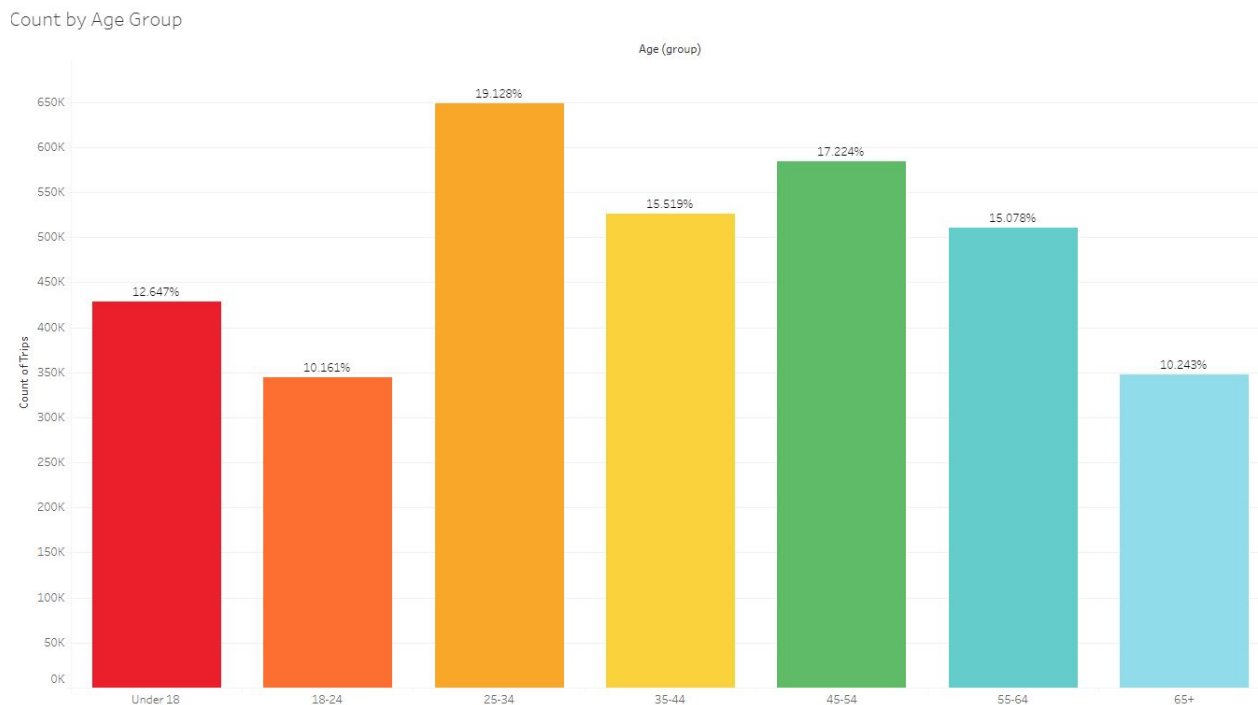
There are clear flight trends that show peaks in volume during March, July, and December. We have assumed these to be Spring Break, Summer Vacations, and Holidays. Since Sun Country cannot compete on price, we can position ourselves as value-add and offer extra miles, flight amenities, and other incentives designed to entice Ufly members to book with us during these key times. This is not cost free, as some incentives like bonus miles will eventually be cashed in and replace revenue.

There are several End Cities that we are able to draw insights from, based on our assumptions. These cities would be a great places to start creating promotions and packages. There are 3 key trips we have identified: Families with young kids traveling to Orlando (Disney World), retirees traveling to warm destinations, and anyone 25+ traveling to Las Vegas.

Appendix A

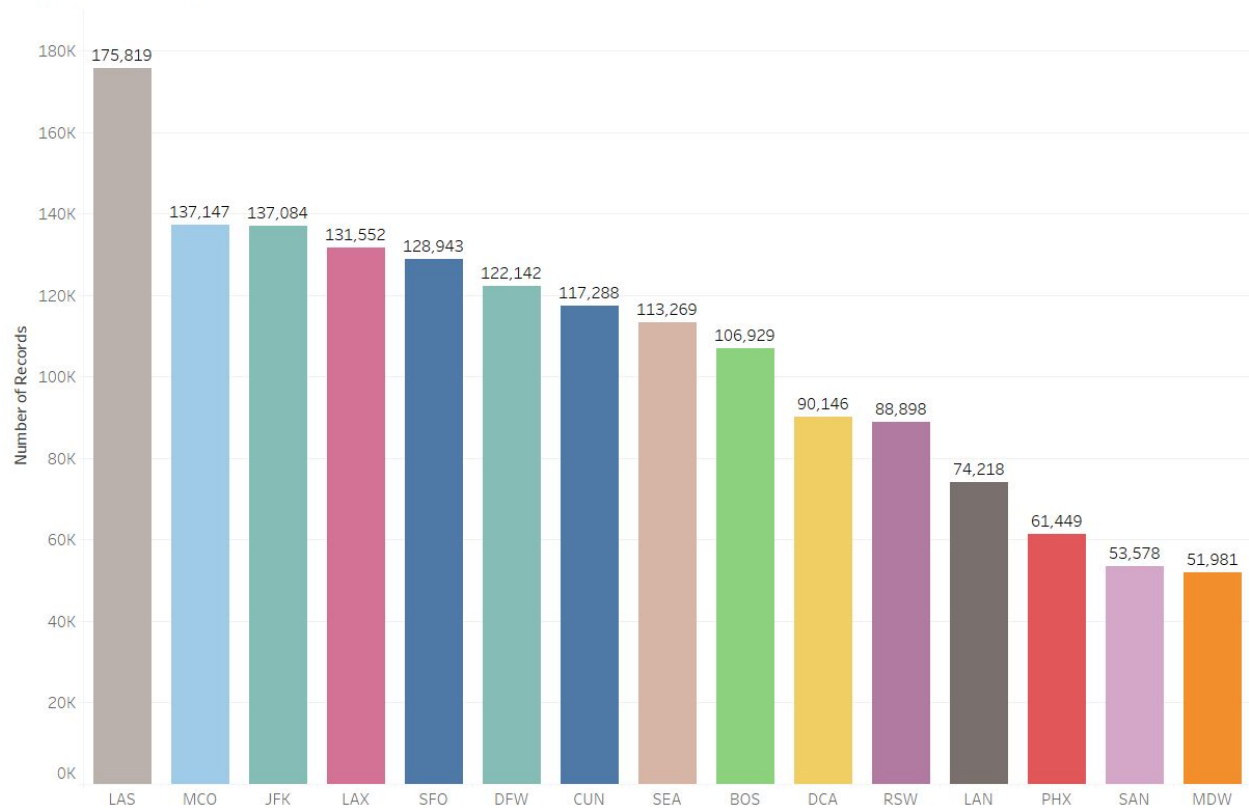


Sun Country's travelers are equally split between females (52%) and males (48%).



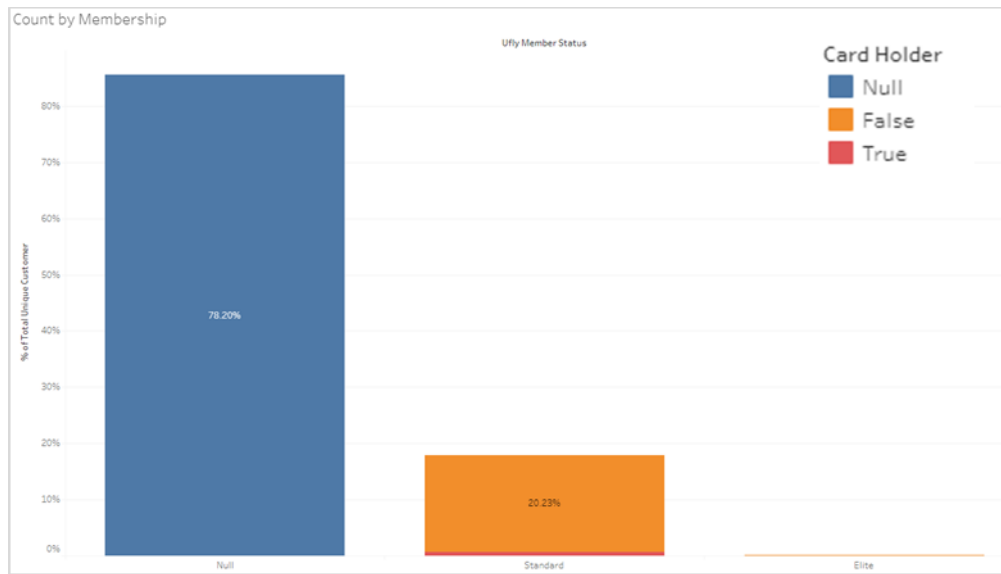
Sun Country's travelers land in the 24-35 (19%) and 45-54 (17%) age groups.

Top 15 End Cities



Discounting MSP as the vast majority of trips both started and ended there, Las Vegas (LAS), Orlando (MCO), New York City, (JFK), Los Angeles (LAX) and San Francisco (SFO) were the most travelled to locations.

Appendix B



Ufly Member Status	Unique Customer Count	% of Customers	Revenue	% of Revenue
Non-Members	1,239,931	86%	\$430,472,258	77%
Standard	257,902	18%	\$123,493,289	22%
Elite	1,155	0%	\$3,803,253	1%
<i>Member Total</i>	<i>259,057</i>	<i>18%</i>	<i>127,296,542</i>	<i>23%</i>
Grand Total	1,448,740		\$557,768,800	

At the end of 2014 only 18% of travelers were Ufly Rewards Members but they made up 23% of total sales. Sun Country credit cardholders make up a very small portion of travelers.

The table above highlights a difficulty with the data. The *% of Customers* column does not add up to 100%, which may be explained by travelers becoming members after already booking a flight and therefore being counted twice.

Appendix C



Ufly Member Status	Total Doc Amt	Unique Travelers	Revenue	Revenue / Traveler	Trips / Traveler
Non-Members	\$845,884,107	1,239,931	\$430,472,258	\$291	2.2
Standard	\$229,181,117	257,902	\$123,493,289	\$319	2.6
Elite	\$6,585,373	1,155	\$3,803,253	\$435	12.4
Grand Total	\$1,081,650,597	1,448,740	\$557,768,800		
Average				\$298	2.4

Members appear to spend more and travel more often than Non-Members. Standard members spend, on average, \$28 more per flight than Non-Members while traveling at similar frequencies; Elite members, on average, spend \$116 more than Standard members (and \$144 more than Non-Members) traveling, on average, almost 10 more times throughout this 2-year time period.

Ufly Member Status	Gender Code	Total Doc Amt	Unique Customer Count	Revenue	Revenue / Customer
Non-Members	Total	\$845,884,107	1,239,931	\$430,472,258	\$291
	F	\$427,888,466	650,312	\$219,385,577	\$287
	M	\$402,103,616	589,000	\$209,687,782	\$295
Standard	Total	\$229,181,117	257,902	\$123,493,289	\$319
	F	\$116,037,451	136,987	\$62,292,858	\$310
	M	\$112,033,092	121,675	\$60,932,236	\$328
Elite	Total	\$6,585,373	1,155	\$3,803,253	\$435
	F	\$1,592,613	348	\$911,598	\$454
	M	\$4,975,838	826	\$2,881,808	\$430
Grand Total		\$1,081,650,597	1,448,740	\$557,768,800	
Average					\$298

Within Elite members, male travelers represent approximately 76% of all revenue, yet female travelers have a higher average revenue per customer.

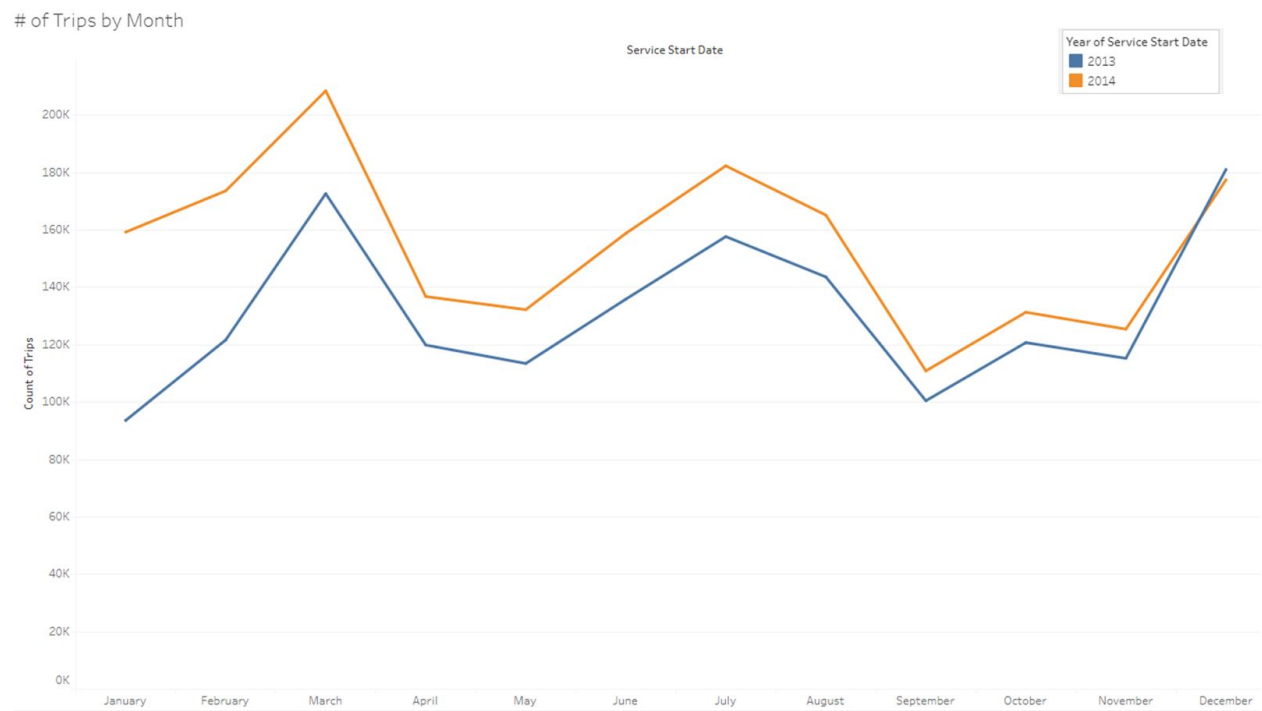
Appendix D

Age Group	Gender Code	Ufly Member Status (copy)	Total Doc Amt	Unique Customer	Revenue / Customer	Diff by Unify Status	Revenue
18-24	Total	Total	100,822,083	\$160,738	\$271		\$51,718,608
18-24	F	NON-MEMBERS	49,539,026	\$82,629	\$265		\$25,010,580
18-24	F	MEMBER	6,540,878	\$9,224	\$287	\$22	\$3,680,434
18-24	M	NON-MEMBERS	39,713,723	\$65,105	\$274		\$20,190,786
18-24	M	MEMBER	5,028,457	\$6,983	\$296	\$22	\$2,863,079
25-34	Total	Total	190,052,109	\$293,627	\$277		\$100,833,956
25-34	F	NON-MEMBERS	81,712,863	\$135,743	\$272		\$42,722,361
25-34	F	MEMBER	14,730,831	\$19,627	\$283	\$11	\$8,001,214
25-34	M	NON-MEMBERS	79,918,231	\$129,232	\$279		\$42,562,987
25-34	M	MEMBER	13,690,184	\$16,947	\$300	\$21	\$7,576,839
35-44	Total	Total	165,763,334	\$232,261	\$301		\$87,369,209
35-44	F	NON-MEMBERS	63,461,577	\$98,299	\$292		\$32,708,126
35-44	F	MEMBER	16,129,807	\$19,555	\$317	\$25	\$8,594,351
35-44	M	NON-MEMBERS	67,446,517	\$101,845	\$296		\$35,847,622
35-44	M	MEMBER	18,725,433	\$19,514	\$340	\$44	\$10,251,976
45-54	Total	Total	189,407,546	\$251,288	\$310		\$99,240,005
45-54	F	NON-MEMBERS	71,591,585	\$108,439	\$296		\$36,705,201
45-54	F	MEMBER	24,115,815	\$26,967	\$327	\$31	\$12,743,033
45-54	M	NON-MEMBERS	69,010,998	\$100,528	\$305		\$36,378,315
45-54	M	MEMBER	24,689,148	\$23,972	\$352	\$47	\$13,466,220
55-64	Total	Total	164,998,894	\$216,013	\$309		\$86,916,159
55-64	F	NON-MEMBERS	59,183,268	\$90,379	\$295		\$30,695,579
55-64	F	MEMBER	26,321,912	\$29,321	\$315	\$20	\$14,191,016
55-64	M	NON-MEMBERS	54,759,513	\$79,985	\$307		\$28,633,542
55-64	M	MEMBER	24,734,201	\$24,823	\$340	\$33	\$13,433,370
65+	Total	Total	112,715,045	\$151,776	\$306		\$60,896,631
65+	F	NON-MEMBERS	41,339,358	\$64,123	\$296		\$22,089,376
65+	F	MEMBER	17,524,240	\$20,726	\$309	\$13	\$9,726,090
65+	M	NON-MEMBERS	35,587,681	\$53,258	\$307		\$18,956,275
65+	M	MEMBER	18,263,766	\$19,459	\$327	\$20	\$10,150,010
Grand Total	Total	Total	1,064,631,077	\$1,443,420			\$555,537,097
Average					\$297		

Men who are between the ages of 35 and 54 have the largest incremental spend when converting to Ufly Rewards membership which would yield the highest return per conversion.

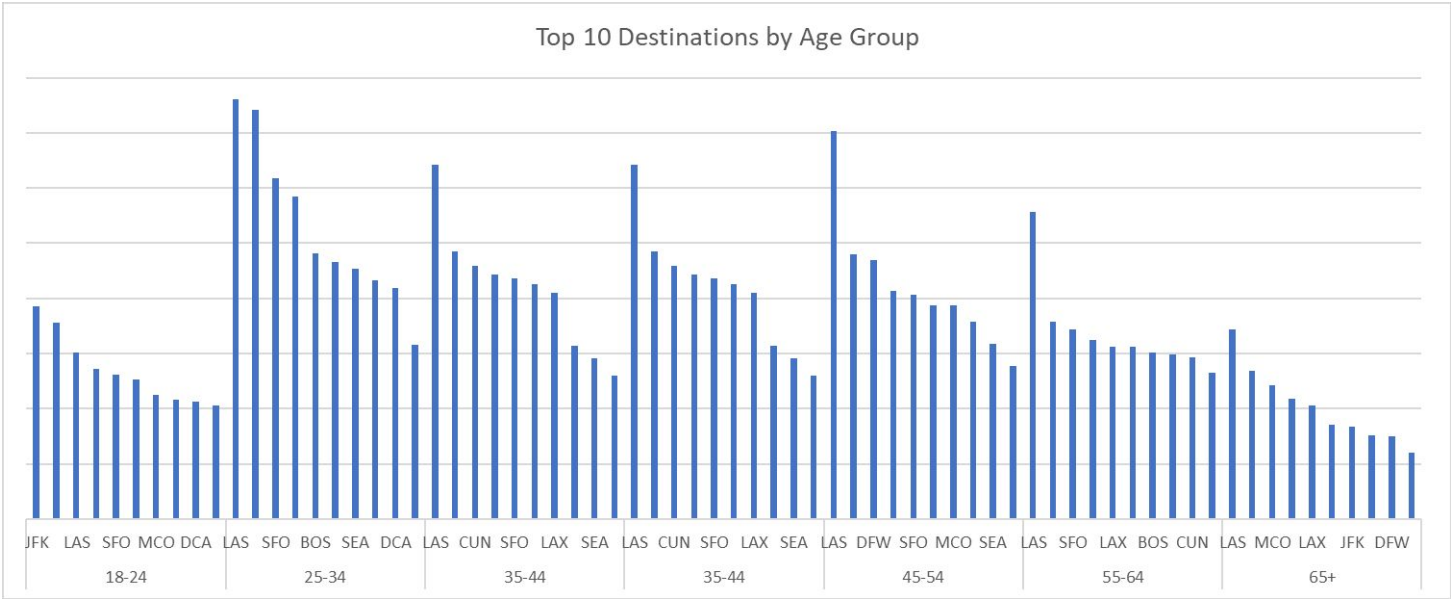
People between the ages of 25-34 is the largest group that are not Ufly Rewards members, so while their incremental spend for becoming a member is low, there is a huge opportunity to target travelers in this age group.

Appendix E



Travel trends peak in March, July, and December, and we surmise this coincides with Spring break, summer vacations, and holidays.

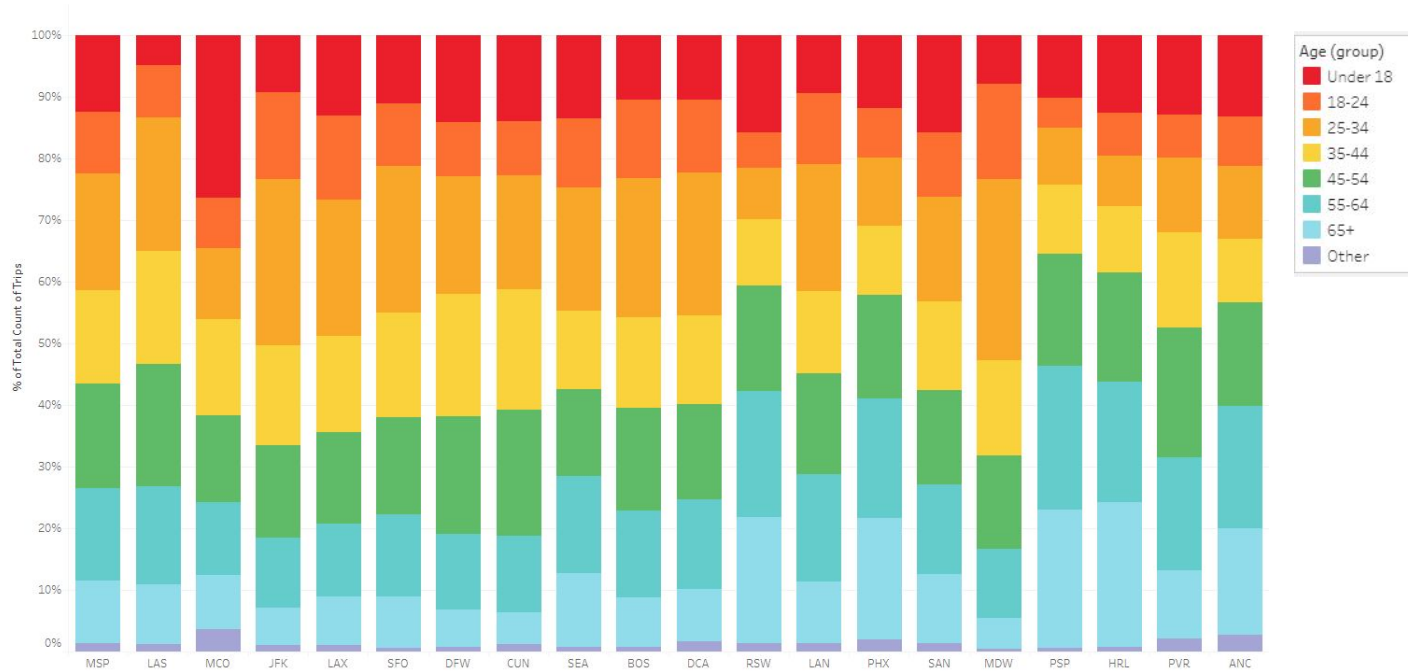
Appendix F



LAS is the top destination for travelers 25+.

Appendix G

Top 20 Destinations by Age Range



There is a large share of Under 18 going to ORD (Orlando).

There is a large share of 55+ going to RSW (Southwest Florida), PHX, (Phoenix), PSP (Palm Springs), and HRL (Harlingen, TX).

There is a large share of 25-34 going to JFK (New York), LAX (Los Angeles), and SFO (San Francisco).