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THE CYCLISTIC OPPORTUNITY: BRIDGING THE CASUAL-TO-MEMBER GAP

CASUAL RIDERS

Individuals using Cyclistic bikes for spontaneous trips, one-off commutes, or short-term rentals. A vast, untapped potential for long-term engagement.

CONVERSION STRATEGY

Personalized Offers & Targeted Communications

Exclusive Member Perks & & Value Proposition

Seamless App Experience & Community Building

ANNUAL MEMBERS

Our core business task is to leverage observed usage patterns to design a marketing strategy that successfully converts casual riders into reliable, high-lifetime-value annual members.

- **Purpose & Scenario**: Analyze differences in usage patterns between casual and annual riders to inform a strategy for conversion, thereby maximizing annual memberships.

- **Real-world Obstacle**: Currently, casual riders are treated as a single, homogenous group. The obstacle is that the standard annual membership does not align with the needs of non-commuter, seasonal, or leisure-focused riders, leading to significant missed revenue and loyalty opportunities.

- **Key Assumptions:** The fundamental user need (transportation/leisure) is static, but the price/benefit structure must adapt to meet the different riding profiles to achieve conversion.

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DEFINING TWO DISTINCT RIDER PERSONAS

The methodology involved a deep dive into trip characteristics—ride length, day-of-week usage, station popularity, and seasonality—to statistically differentiate the two user types.

- **<u>Key Finding Summary:</u>** Annual members demonstrate high-frequency, predictable, utilitarian behavior. Casual riders demonstrate low-frequency, seasonal, and leisure-oriented behavior.

- **<u>Major Problem Identified:</u>** Casual riders are not perceiving the value of an annual membership for their specific usage patterns. The current pricing structure or membership benefits do not align with their infrequent, leisure-focused needs.
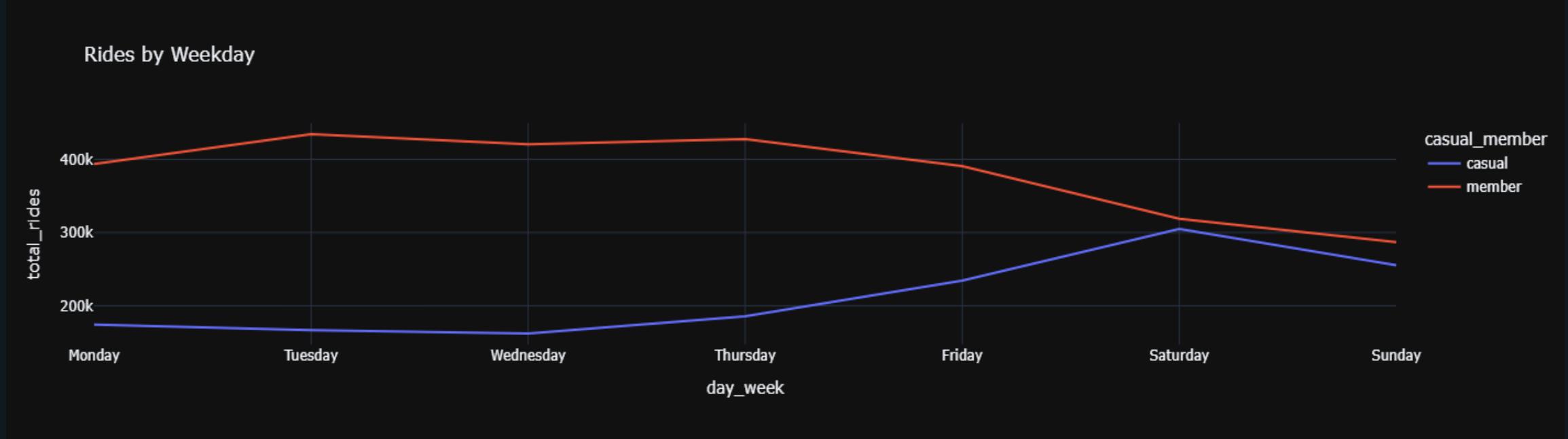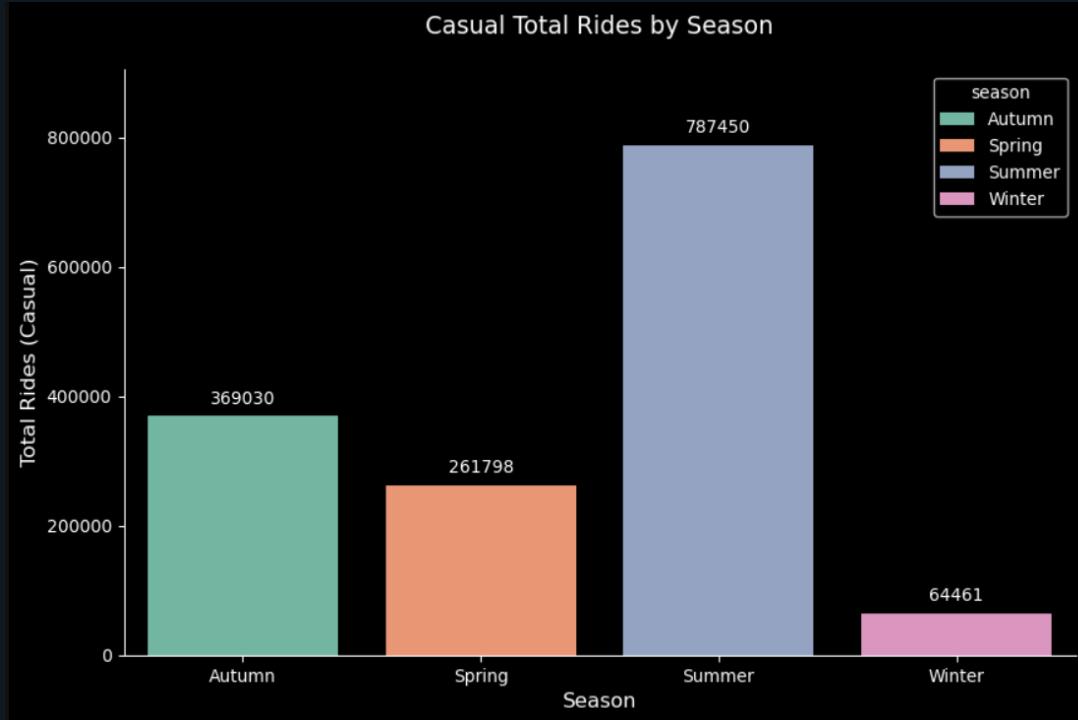

Member

Frequent commuter

Trips year-round, high station usage.

Casual

Seasonal leisure rider

Rides mostly in warm months, low station usage.

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ANALYSIS - RIDES BY WEEKDAY
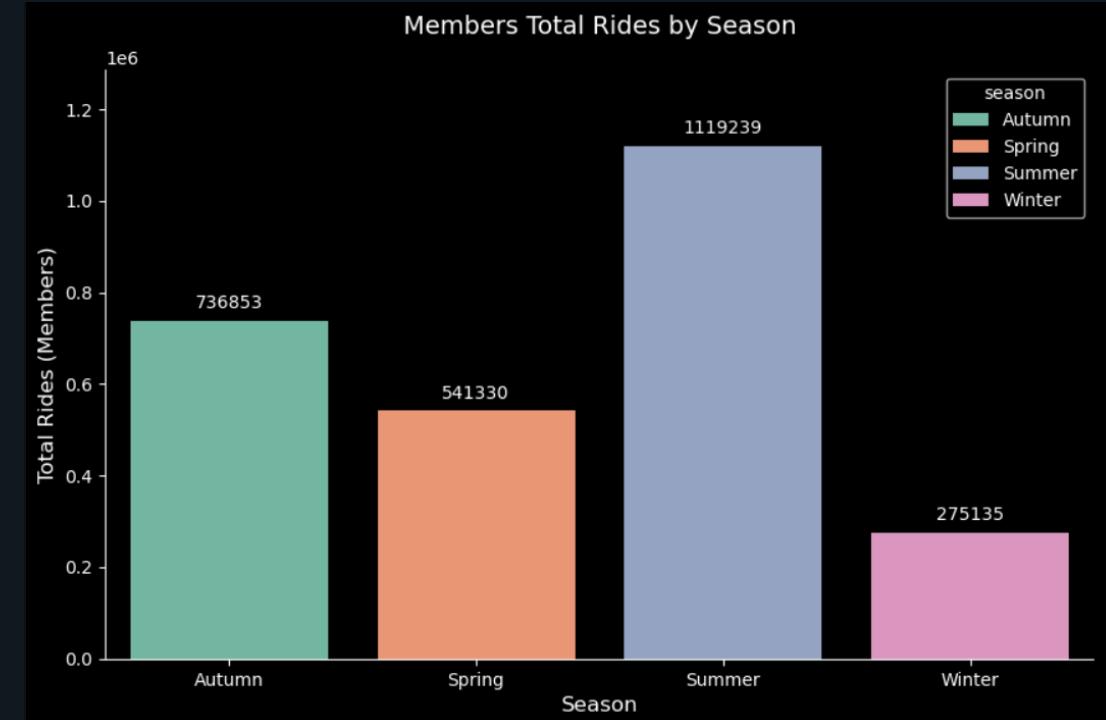

Rides by Weekday

- Casual riders account for the majority of Friday and Saturday rides, with a sharp drop-off Sun-Thu.

- Annual Members show consistent, high usage throughout the entire work week (Mon-Fri) with a slight decrease on weekends. This indicates a strong commuter/utilitarian base.
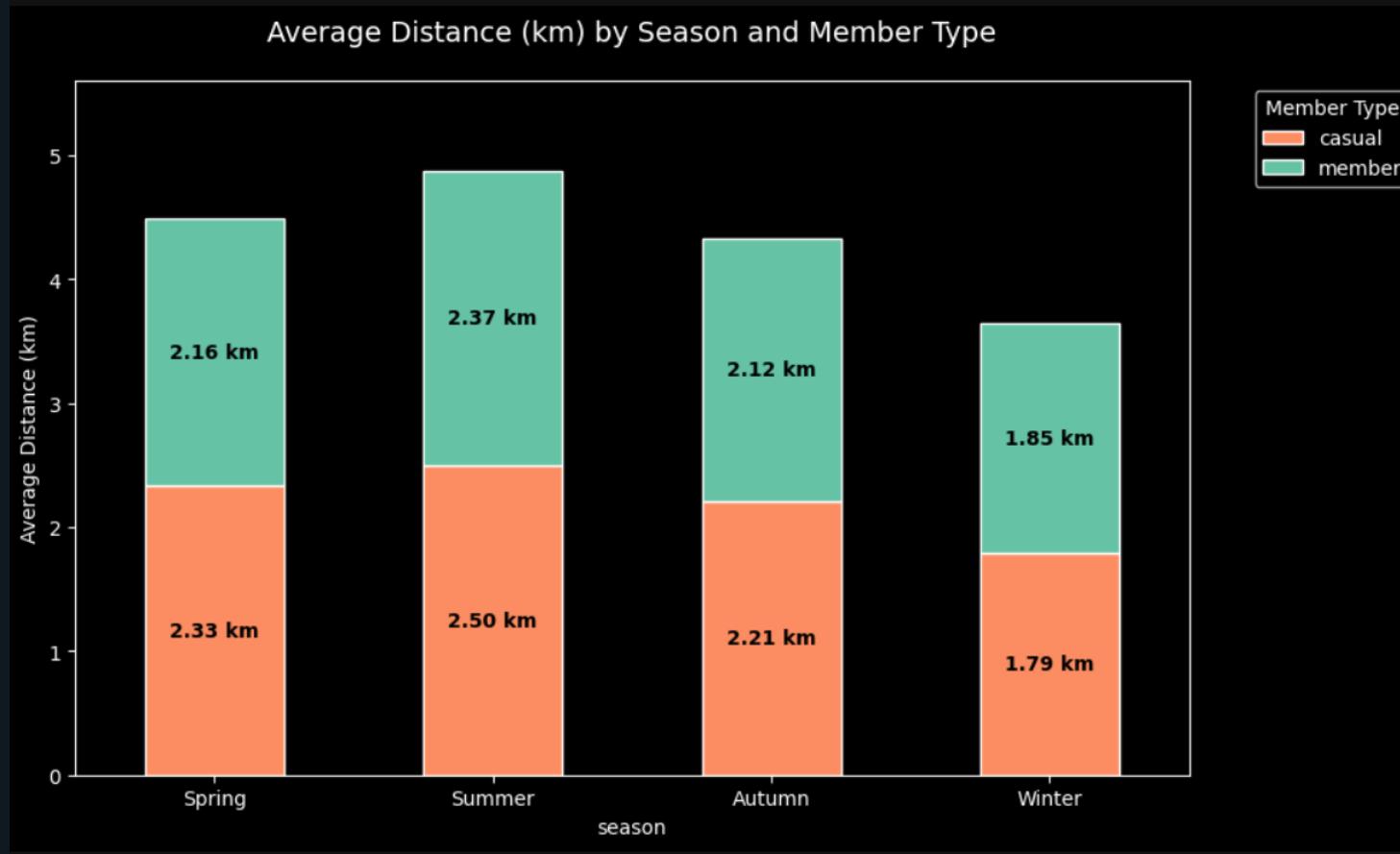
ANALYSIS - SEASONAL USAGE

Casual rider usage drops dramatically (over 80% from peak to trough) during colder winter months.
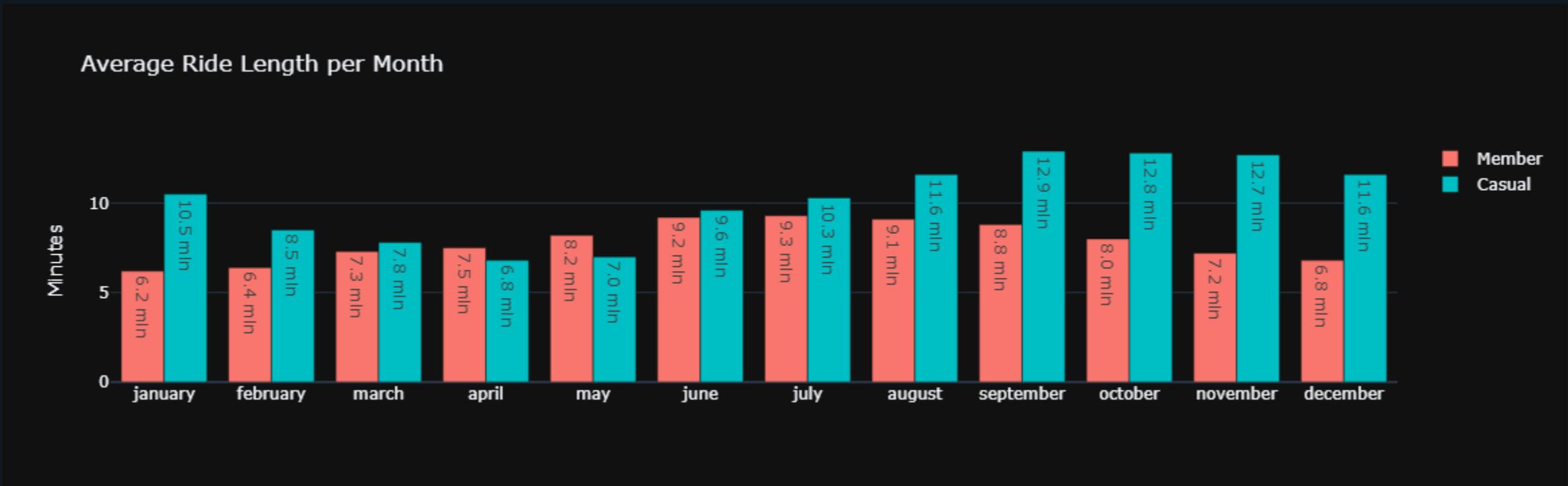
Annual Member usage, while lower, remains significantly more stable year-round, confirming essential/commuter use.

ANALYSIS - AVERAGE RIDE DISTANCE

Average Distance (km) by Season and Member Type

Member Type
- casual
- member

2.16 km

2.37 km

2.12 km

1.85 km

2.33 km

2.50 km

2.21 km

1.79 km

Average Distance (km)

Spring   Summer   Autumn   Winter

season
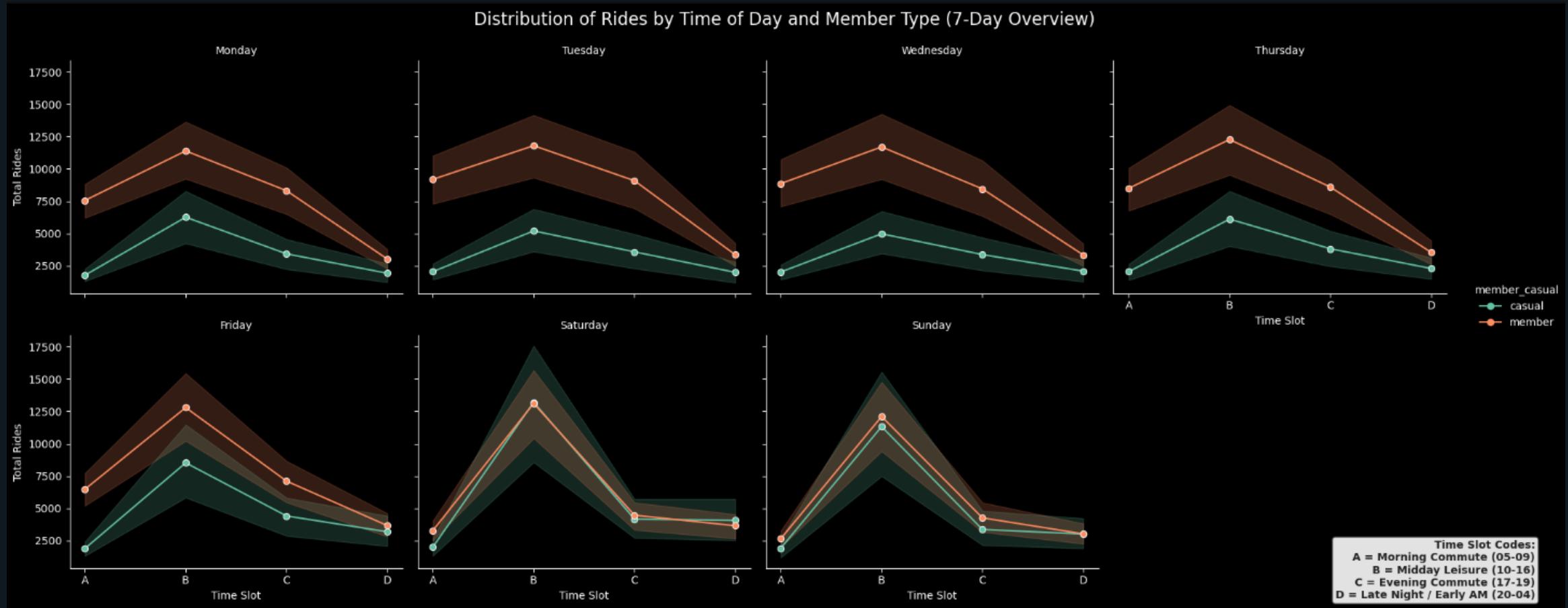
Average Ride Distance: Casual Riders have a slightly monthly average ride distance (approx. 2,4 km), compared to Annual Members (approx. 2,1 km).

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ANALYSIS - AVERAGE RIDE LENGTH

Average Ride Length per Month

Average Ride Length: Casual Riders have a significantly longer monthly average ride length (approx 10 minutes), compared to Annual Members (approx. 7 minutes).

ANALYSIS - WEEKLY DISTRIBUTION OF RIDES

Distribution of Rides by Time of Day and Member Type (7-Day Overview)

ANALYSIS - MEMBERS POPULAR STATIONS

Start Stations

End Stations

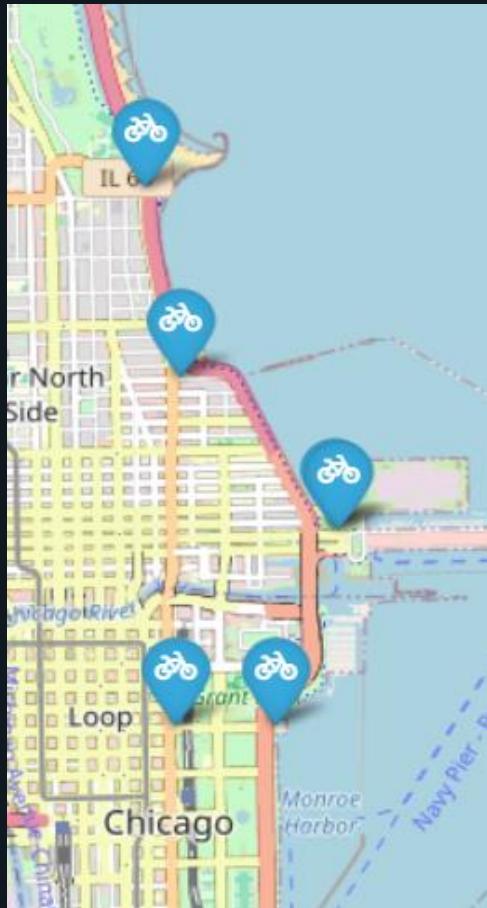| Start Station	Rides	End Station	Rides
University Ave & 57th St	5886	Kingsbury St & Kinzie St	4874
Ellis Ave & 60th St	5701	Clinton St & Madison St	2865
Kingsbury St & Kinzie St	2405	Ellis Ave & 60th St	2542
Clark St & Elm St	2329	Clinton St & Washington Blvd	2431
Clinton St & Washington Blvd	1606	Daley Center Plaza	1687
Canal St & Madison St	1505	University Ave & 57th St	1586

Annual Member stations are highly distributed across business and residential neighborhoods, characteristic of daily commuting patterns.

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ANALYSIS - MEMBERS POPULAR STATIONS

Start Stations

End Stations

Start Station	Rides	End Station	Rides
Navy Pier	12562	DuSable Lake Shore Dr & Monroe St	12568
Streeter Dr & Grand Ave	9067	DuSable Lake Shore Dr & North Blv	9270
DuSable Lake Shore Dr & North Blv	7729	Michigan Ave & Oak St	8635
Michigan Ave & Oak St	8607	Streeter Dr & Grand Ave	7945
Millenium Park	2771	Millenium Park	6023
Theater on the Lake	4667	Navy Pier	5793

Casual rider trips are heavily concentrated around popular tourist spots and parks (e.g., Navy Pier, DuSable Lake Shore Dr stations).

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SOLUTIONS: TARGETING THE LEISURE SEEKER WITH VALUE

Proposed Solutions Outline:

- **Product/Pricing Innovation:** Introduce flexible membership tiers that align with observed casual usage (e.g., weekend or seasonal passes).

- **Incentivized Loyalty Program:** Create a conversion mechanism by rewarding frequent casual use with membership discounts.

- **Targeted Digital Marketing:** Tailor marketing campaigns to highlight the specific cost savings and leisure benefits of a membership (not just commuting).

PROS & CONS OF TOP CONVERSION STRATEGIES

Solution 1: "Weekend Warrior Pass" (Flexible Tier)

- **Pro:** Directly addresses the weekend-heavy casual profile, Making a commitment feel Relevant.

- **Con:** May cannibalize some existing day-pass revenue in the sort.

Solution 2: Loyalty Program (Discount after X Rides)

- **Pro:** Provides a tangible incentive and a clear "next step" for a high-frequency casual rider.

- **Con:** Requires IT development for tracking and redemption, and initial marketing spend to communicate.

Solution 3: Targeted Marketing (Cost-Saving Focus)

- **Pro:** Low-cost, High-impact method to shift perception and demonstrate value to the leisure segment.

- **Con:** Effectiveness is highly dependent on creative execution and accurate segmentation.

The combined strategy of tiered passes, loyalty incentives, and targeted marketing offers the best balance of profitability and customer retention.

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CONCLUSION: INSIGHTS FROM DATA

Key Takeaways

- The greatest conversion potential lies in the high-frequency leisure rider who uses the service more than 3-4 times per month but remains casual.

- The value proposition must shift from convenience (for commuters) to cost savings/access (for leisure riders).

- **Learning Highlights**

- The importance of normalizing ride data (e.g. using median vs mean for ride duration) to account for outliers and truly understand the typical trip purpose.

- The necessity of combining demographic context (Chicago tourism) with usage data (station location) to form actionable insights.

ASK	PROCESS	ANALYZE	SHARE	ACT
Define the business question or goal	Prepare and clean the data	Explore and extract insights	Communicate findings clearly	Implement data-driven solutions

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NEXT STEPS: CONVERSION ACTION PLAN

We recommend pursuing a multi-faceted approach focused on a new product tier and loyalty incentives, which will positively affect membership rate and Customer Lifetime Value (CLV).

- **Best Solution Choice:** A combination of Product/Pricing Innovation (Weekend Pass) and a Loyalty Program (Conversion Discount) is the best solution for immediate conversion impact.

- **Impact Explanation:** This strategy creates an entry point (Weekend Pass) for many casual riders, provides an upgrade incentive (Loyalty Program), and captures reliable seasonal revenue, leading to:

- **Increased Membership Rate:** Higher retention of summer casual riders.

- **Higher CLV:** Annual members are predictable, year-round revenue sources.

PHASE 1

LOYALTY PROGRAM
discount after 5th ride

PHASE 2

WEEKEND PASS LAUNCH
6-month auto-renew membership

PHASE 3

MARKETING PUSH
geo-targeted ads near tourist stations

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RECOMMENDATION 1: LAUNCH "WEEKEND WARRIOR PASS"

Benefit	Day Pass (518.10/day)	6-Month Pass (Est. $99–$120/6mo)	Annual Pass ($143.90/yeat-prono $99 yea)
Unlimited Rides	✓	✓	✓
Weekend Access	✓	✓	✓
Auto-Renewal		✓	✓
Member Perks (discounts)		✓	✓
Priority Support	✓	✓	✓
Cost Savings (per nde)	✓		✓
Seasonal Flexibility	✓		

- **What needs to be done**: Develop a new pass option (e.g., a 6-Month Pass) that offers the same unlimited rides as the annual membership but is priced to reflect the seasonal usage pattern (e.g., 60% of the Annual Member cost).

- **Who should enforce it**: Product Development & Pricing Team (for implementation and backend logic) with Marketing Team (for communication).

- **When**: Phase 1: Q1 2026 (Pricing finalization and system integration). Phase 2: Q2 2026 (Launch for peak summer season).

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RECOMMENDATIONS 2 & 3: INCENTIVES AND COMMUNICATION

- **Loyalty Program**: Discount after 5th ride.

- **Targeted Marketing:** Geo ads near tourist stations.

- **Teams**: IT + Marketing.

- **Timeline**: Q1 pilot + Q4/Q1 marketing.

FINAL REVIEW

- Casual riders are long-duration, weekend-focused leisure seekers.

- Annual members are short-duration, weekday-focused commuters.

- The conversion strategy must bridge the perceived value gap for the leisure market.

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