



The Yeti

Don't Let Your Customers Slip Away



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Agenda

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Case Introduction

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Analysis

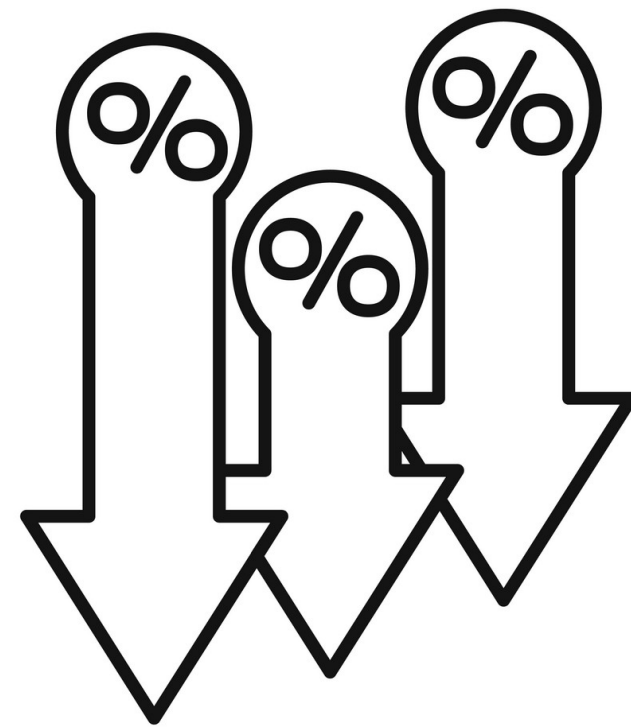
3

Business Solution



Case Introduction

Problem



Drop in sales during the last year, especially among regular customers



Loss of regular customers threatens the continuity of the company (due to specialization in one specific type of service: the sale of travel packages for schools)

Objective

Understand and improve
customer retainability



Methodology: The Data Analysis Journey

What We Did and Why

1

Data gathering & exploration

Gather Sales, Finance, and CRM data and see the structure and what was available

2

Data preparation & cleaning

Merge dataframes, remove certain NaN variables, add dummy variables

3

Descriptive statistics

Describing differences in retention across different profiles

4

Modelling

Build a predictive model based on historical information with retention as the target variable

5

Extracting results

Gather and visualize relevant variables to design measures to address business problem

Variables in Focus

Primary, Most Relevant Features to Tackle the Problem

Number of days between...



...first parent meeting to travel date

...deposit date to travel date

...last communication to travel date

Grade



From grade: lowest grade in school of a participant

To grade: highest grade in school of a participant

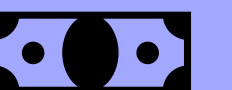
Low grade (including non-participants)

High grade (including non-participants)

School Type

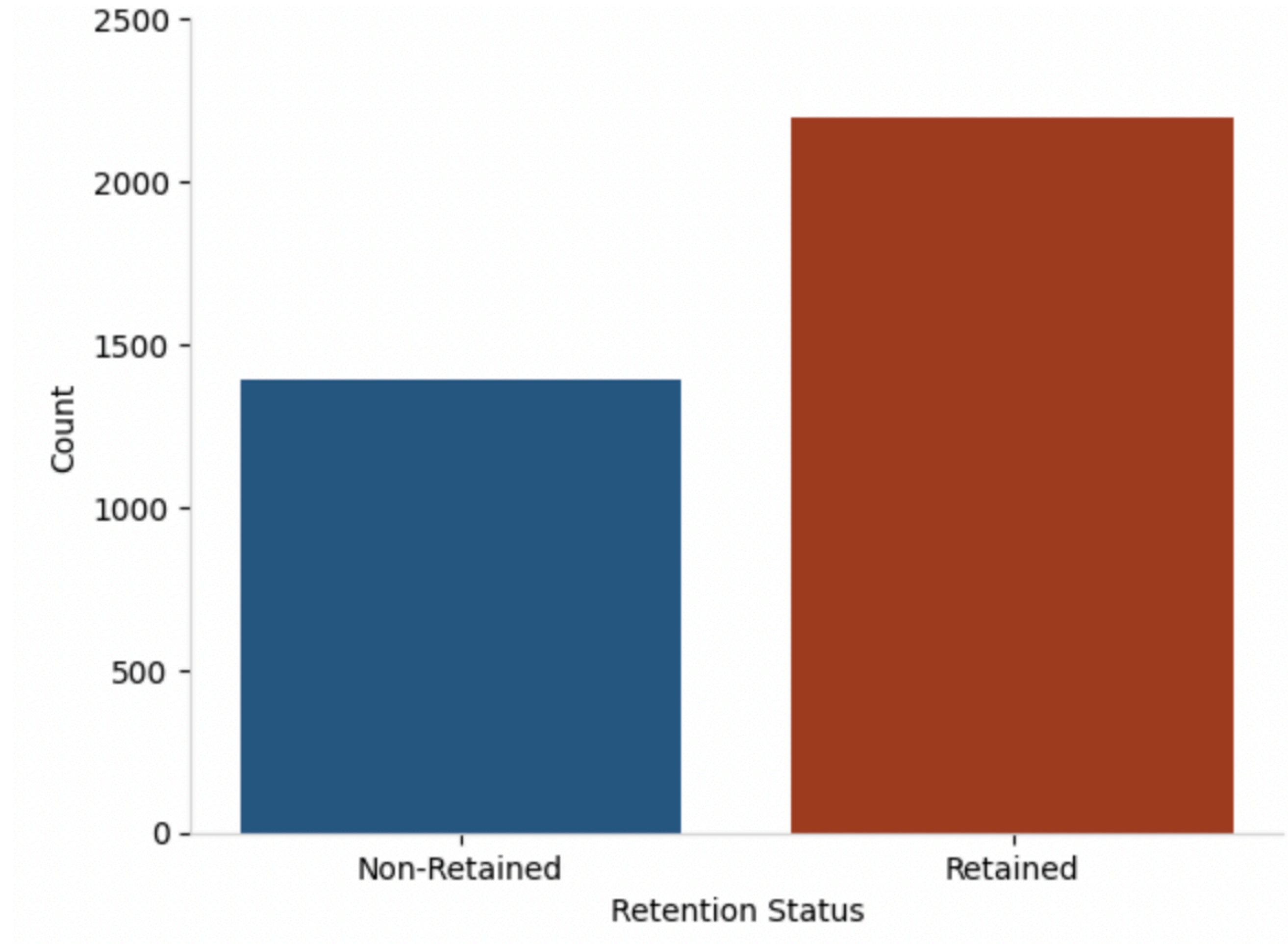


Poverty code



Current Situation

Retention



Number of non-retained students is **more than half** the number of those retained

3-Pillar Focus Approach

School & Volume

Setup & Preparation



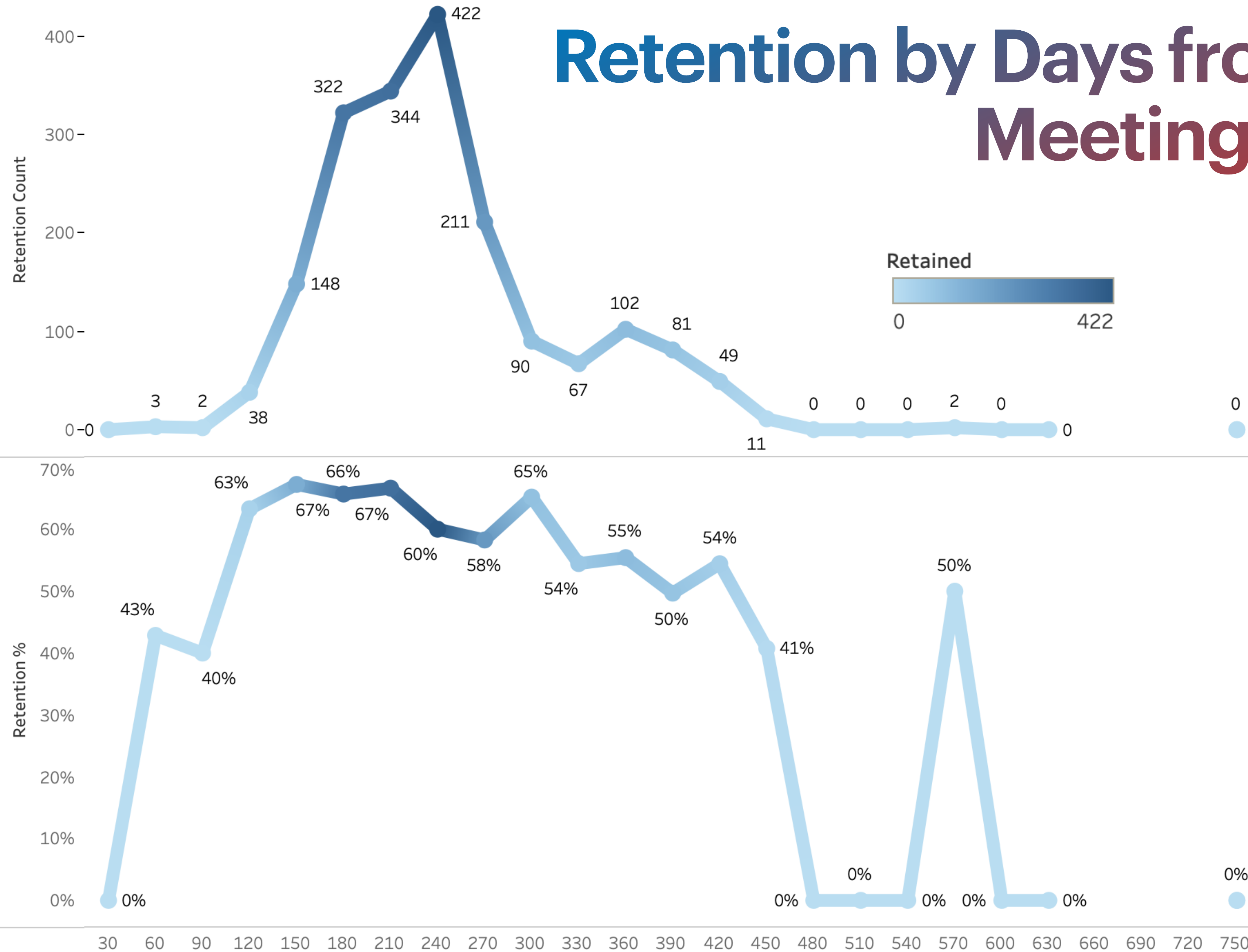
Grades



By addressing churn rates using a holistic multiple angle approach we expect to tip the balance towards more retention

Setup & Preparation

Retention by Days from First Parent Meeting to Travel Date



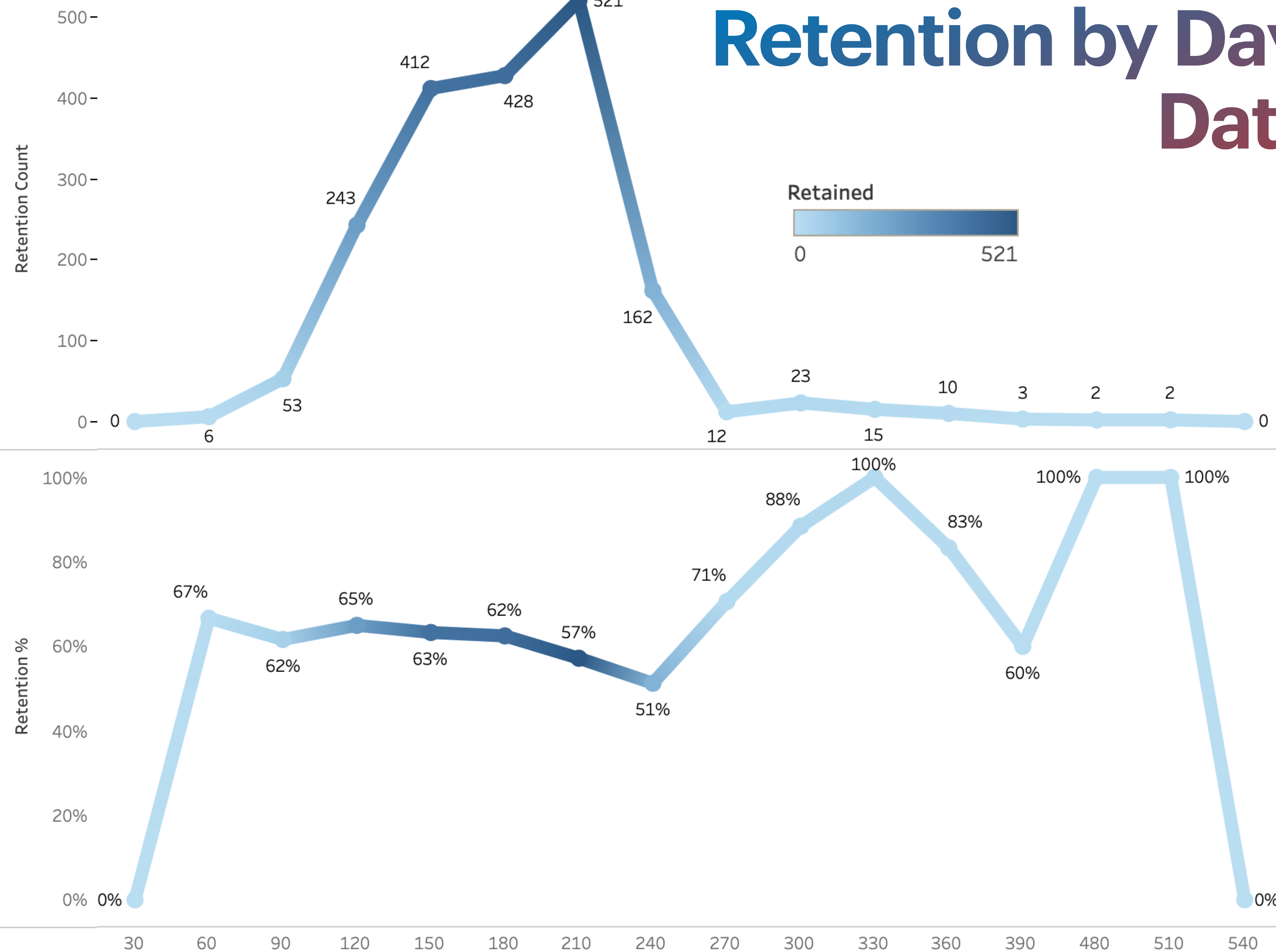
The less number of days between the first parent meeting to the travel date, **the less participant retention**

Target to plan **4-7 months** before the travel date

Economical pressure is **lower for both parties**

Planning to far ahead can lead to anticipation fatigue

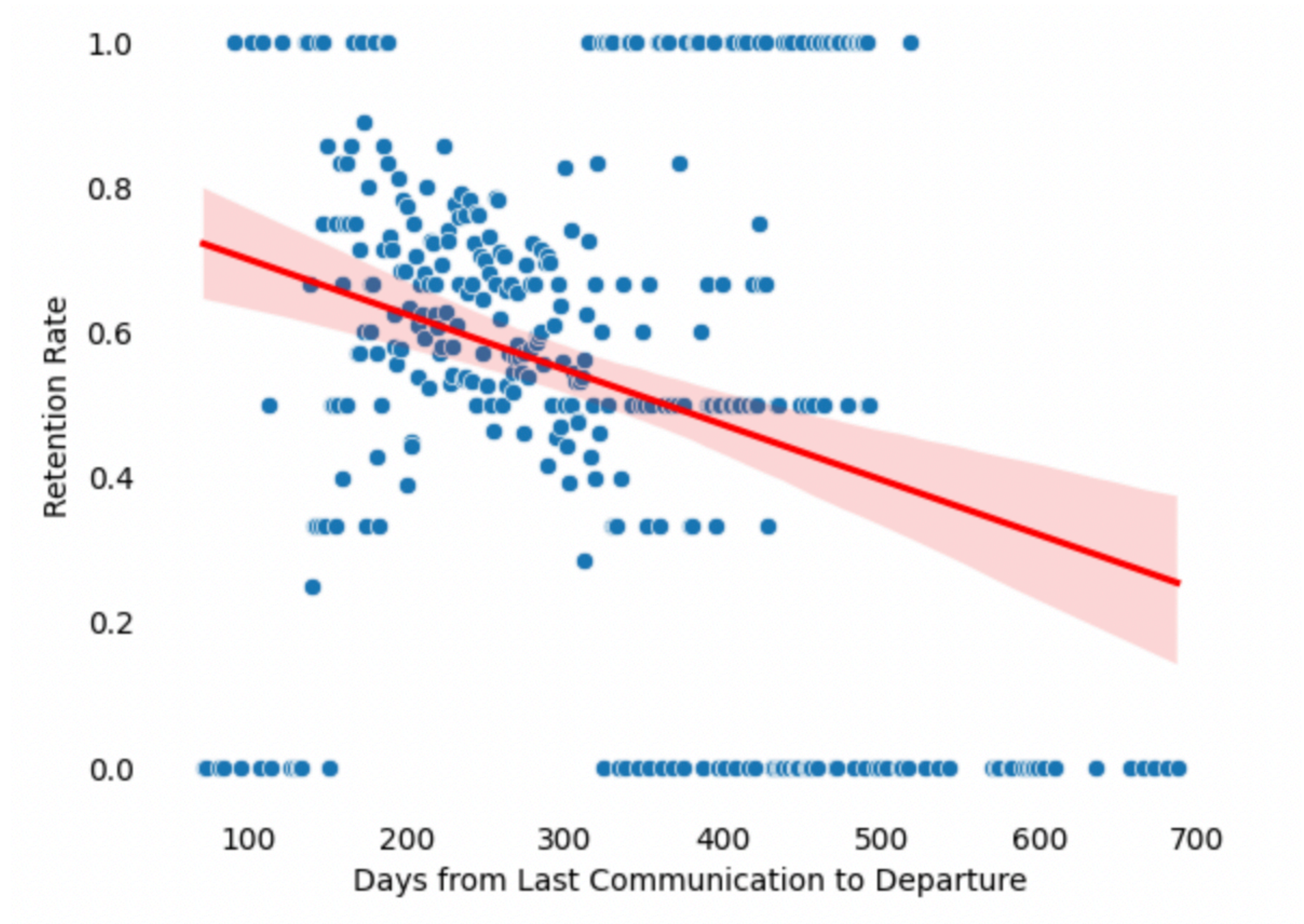
Retention by Days from Deposit Date to Travel Date



Similarly to the previous graph, most customers that are retained are more likely to make a deposit within **60-200 days** before the departure date

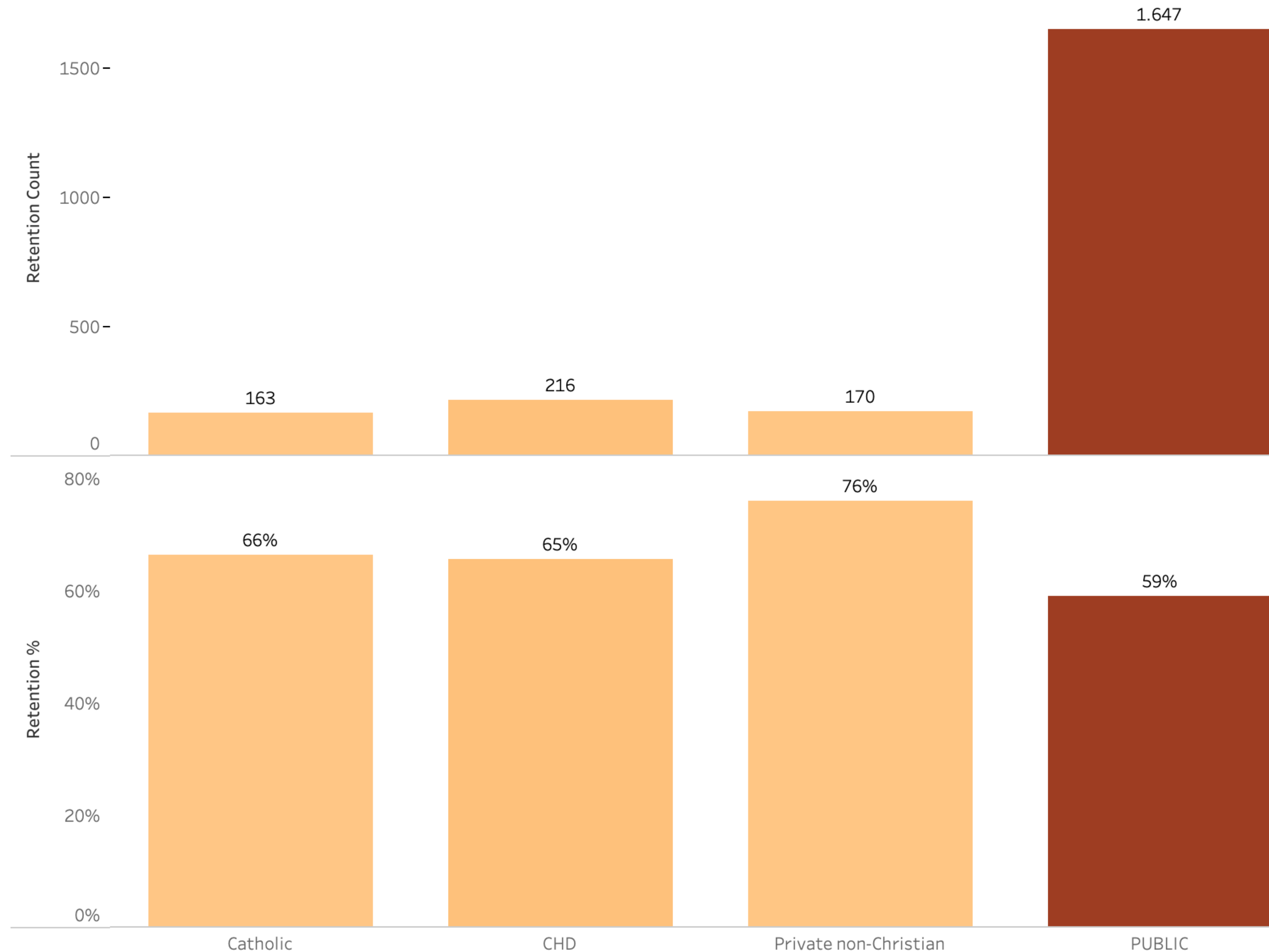
Retention by Days from Last Communication to Departure

It's best to **keep participants updated** as the departure approaches



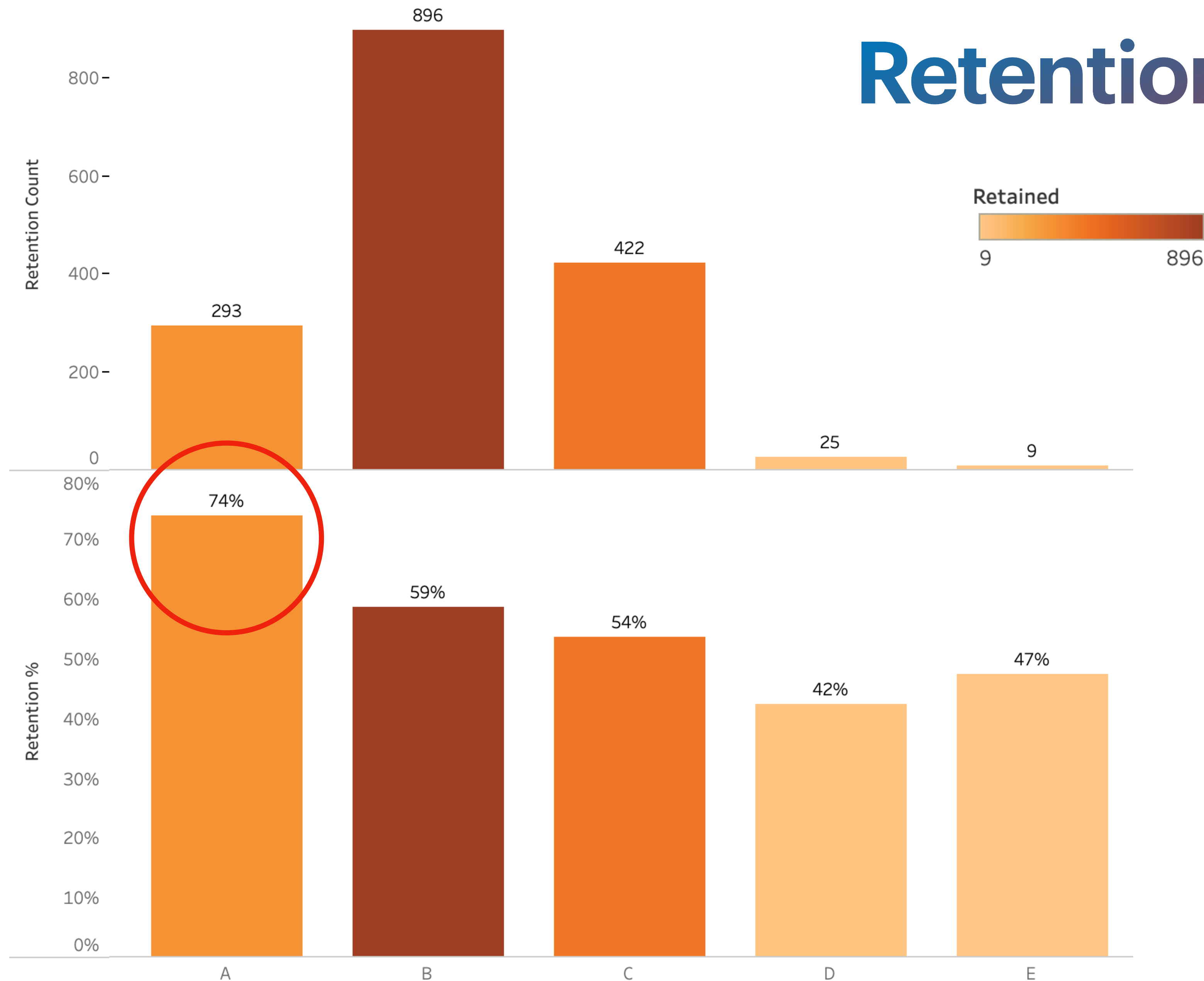
School & Volume

Retention by School Type



Public Schools generate the **most participants** but have the **lowest retention rate**

Retention by Poverty Code



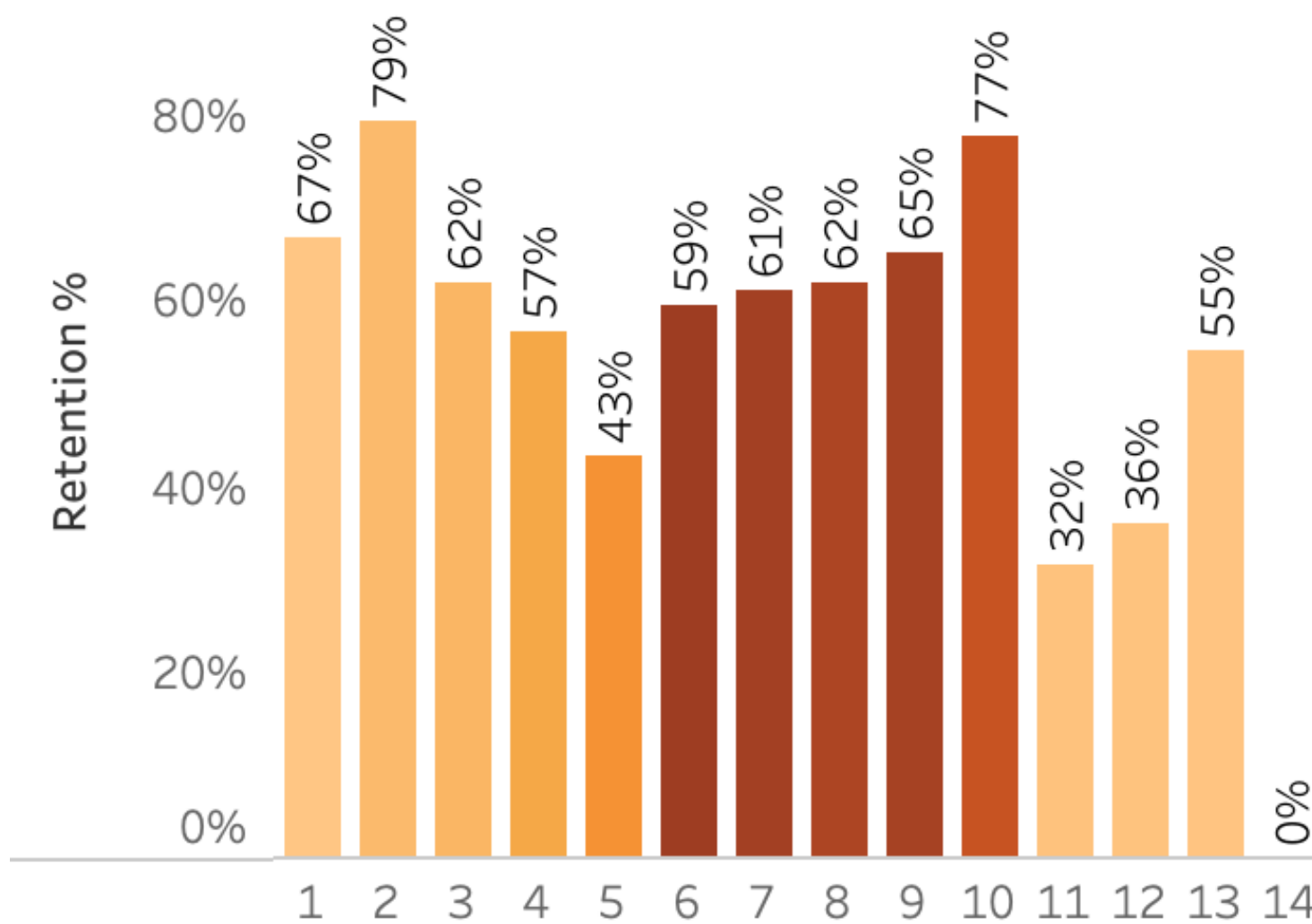
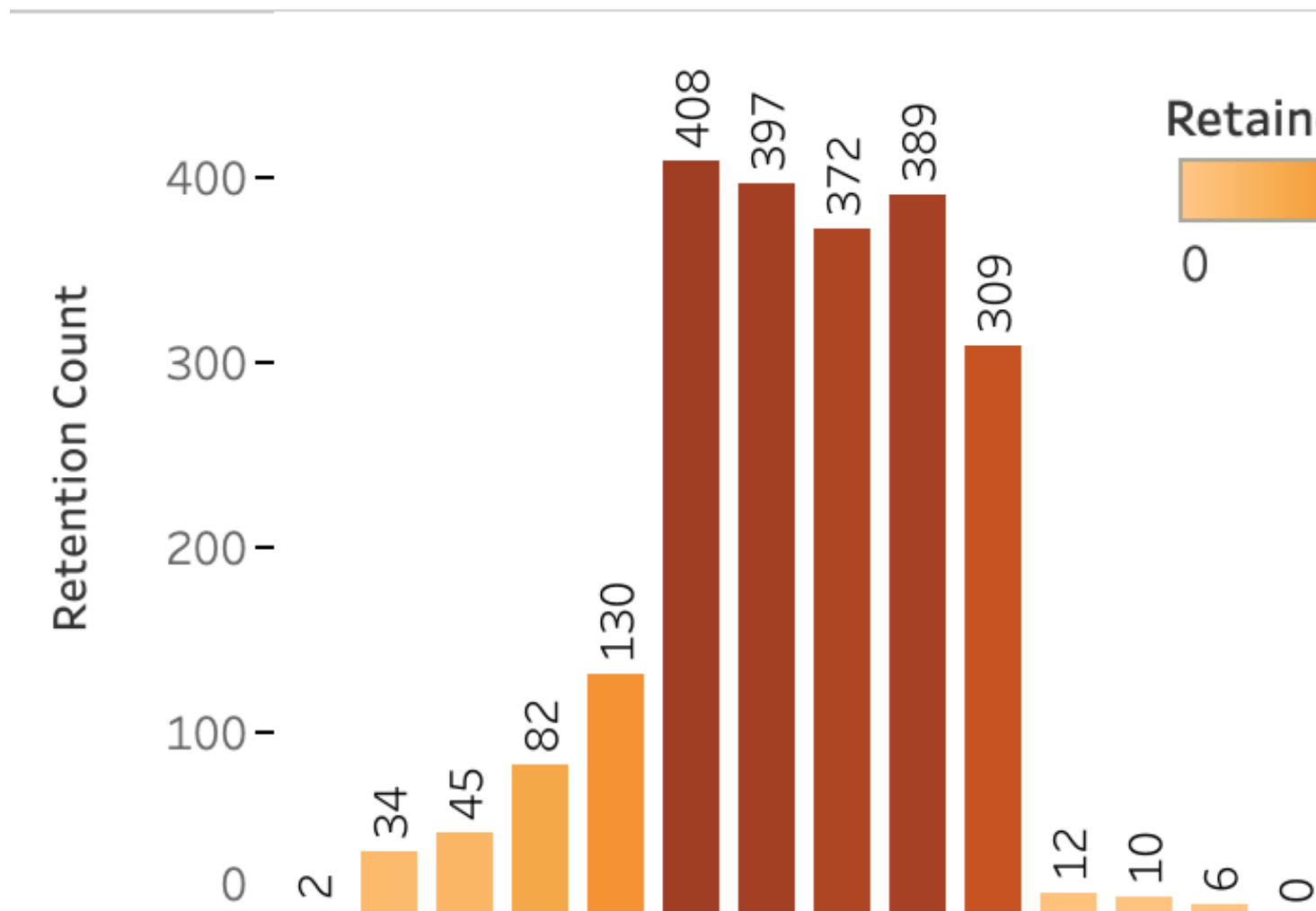
Schools with a **poverty code of A** seem most attractive

More **affluent areas** are to be targeted

Grades

Retention by Grade

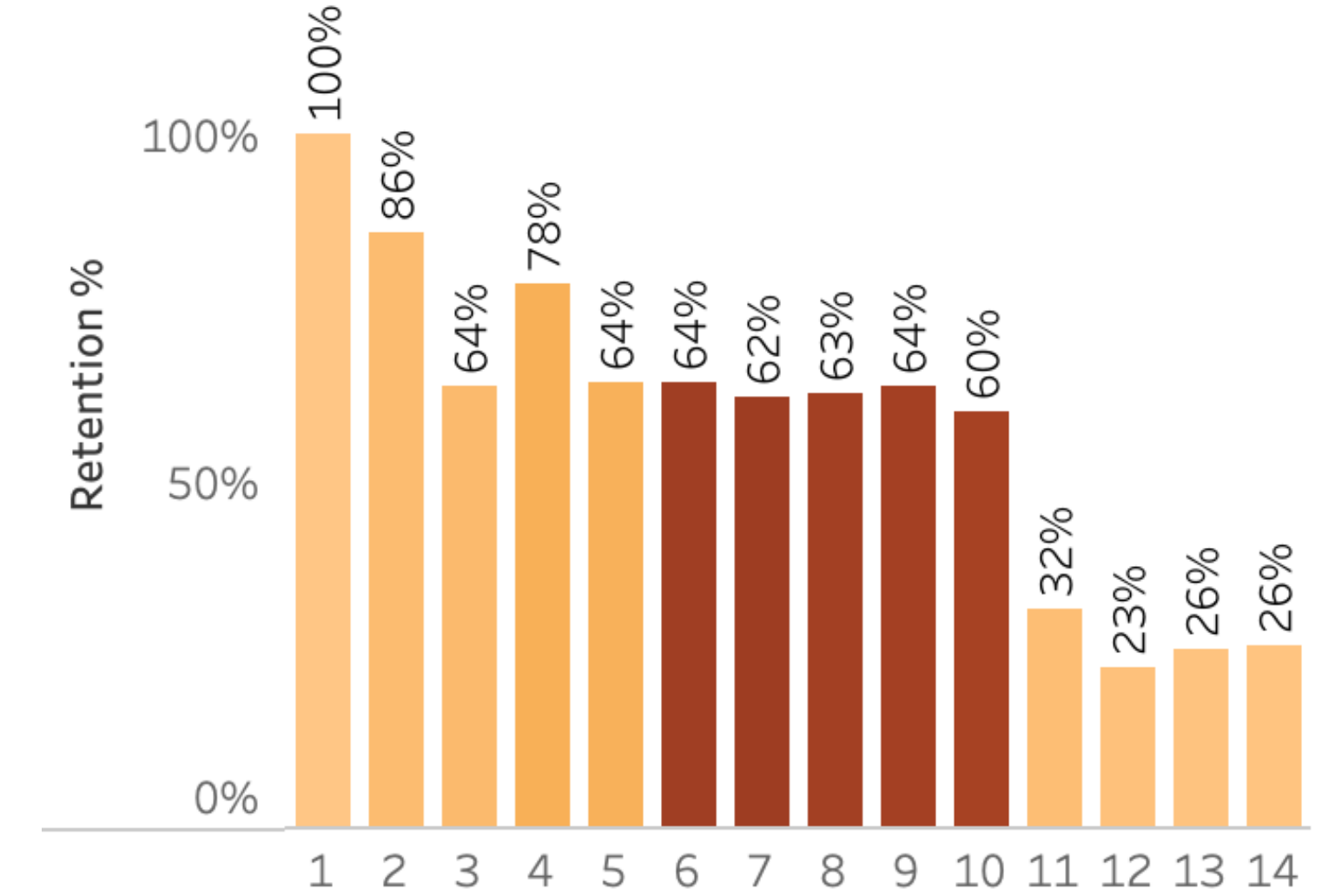
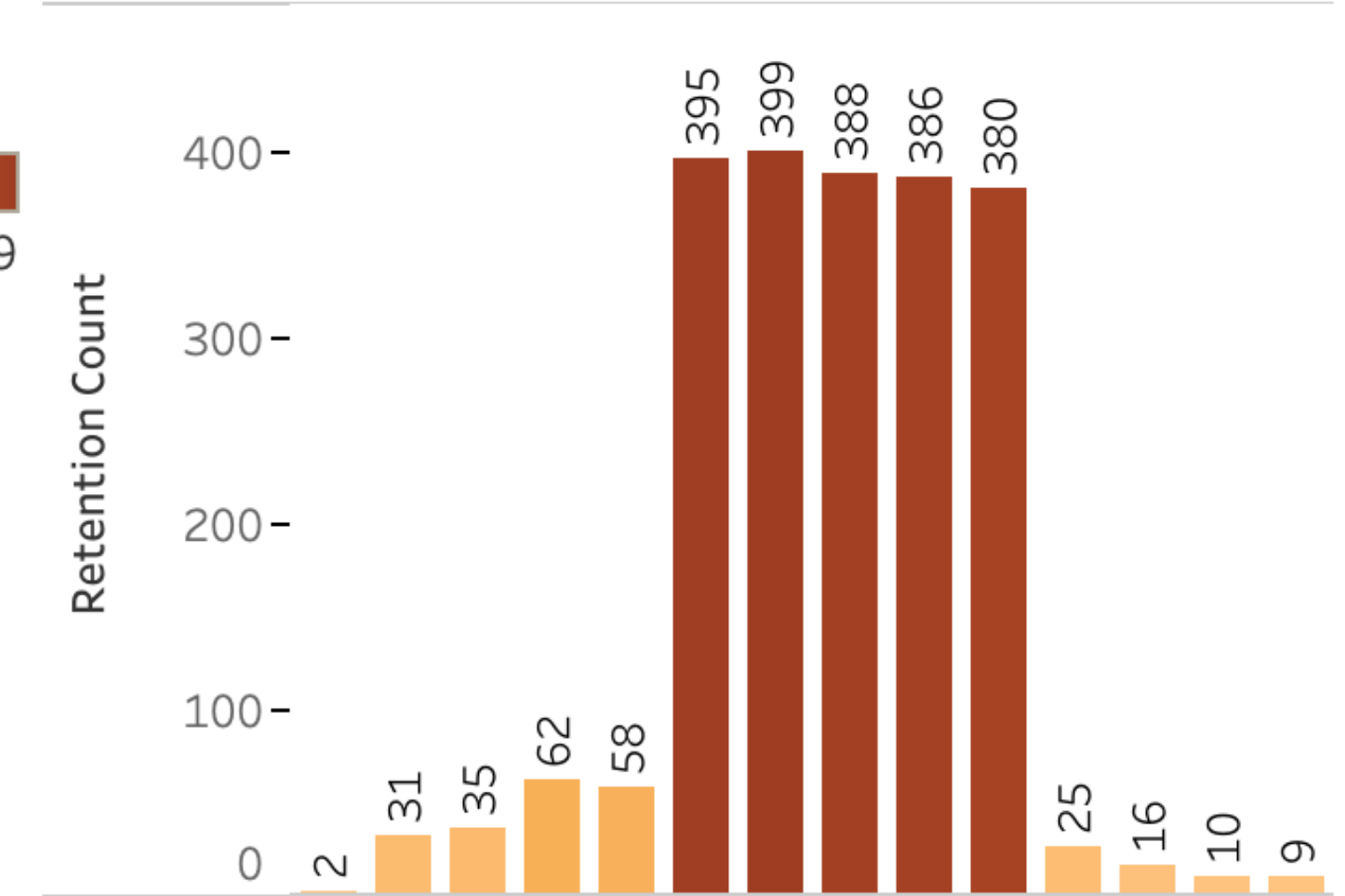
From Grade



Grades 6-10 have the **highest count and strong retention rate** (esp. 10)

Grades 2-5 have **low number of clients but strong retention rates**

To Grade



Others

Secondary Variables to Consider

- **Cancelled Pax by Month** - Avoid Summer months; **start in Spring**
- **State** - **CA, TX, and WA** have most participants; **FL, IL, and MI** have low churn ratio
- **Tour Type** - Focus on most popular tours **East Coast** (highest volume) and **CA History** (highest retention rate)
- **Days** - A **2-week long** duration is the sweet spot
- **School Sponsor** - Participants prefer **sponsorship**
- **FPPs with Trip Cancellation Insurance** - The higher the chances of retention if participants have insurance; encourage **insurance**
- **Income Level** - Participants of an income level from **O-Q** are the most attractive
- **School Grade** - **Middle School** has the largest volume, making it a safe target; **Elementary** has the highest rate, hinting at more opportunity
- **School Size** - the **larger the school**, the higher the retention rate
- **Early Communication** - Through early communication (alongside meetings), people know more what to **anticipate** and are able to **plan better**

Business Solution

Business Solution

How to Improve Retention, Sales, and Diversify Services

1. TARGET SPECIFIC SCHOOLS, GRADES, AND VOLUMES

- Our cash cows are *Middle school and Graduation trips*; *Elementary school* is an attractive market
- Create travel offers tailored to *groups between 6th and 9th grade*
- *Larger groups* are less likely to churn (focus on schools with enrolment between 300-1000)
- Target schools located in *more affluent areas* due to their higher degree of financial flexibility
- Build long-term relationships with school administrators and offer *special deals to strengthen partnerships*

2. OPTIMIZE PLANNING PROCESS - STRENGTHEN RELATIONSHIPS AND SENSE OF SECURITY

- More *planning-time and communication* with schools, guardians, and students
 - Establish plan that outlines methods of communications with participants (e.g. email updates, social media posts, regular meetings with participants and their families)
 - Participant management system to automate communications
- *More professors*

3. DIVERSIFY SERVICES

- Collect feedback after the trip - improve participant experience and increase retention
- Expand to *other educational institutions*, offering study abroad programs, internships, or educational tours
- Expand to travel packages that *cater to families* with school-aged children or other, non-education interests (e.g. sports, arts, cultural experiences)

4. LEVERAGE DIGITAL TECHNOLOGY

- Improve *online presence*, making a user-friendly website, and offering online booking options
- Implement an *improved CRM system* to better track customer preferences, for more *personalized engagement*



Thank you