CUSTOMER SEMENTATION ANALYSIS OF

# Sun Country

GROUP D

# Business Objective

- To better understand Sun Country Airlines customers by identifying meaningful customer segments and their key characteristics

- Offer consumer insights to drive ticket sales, increase enrollments in Ufly Rewards Program, and optimize online booking channel

Sun Country airlines

# Model & Findings

- **5 customer segments** have been identified from the Sun Country Airlines data using the *Gaussian Mixture clustering\* method:*

  - The number of clusters is selected based on the silhouette score and potential business benefits

*Cluster limitations refer to technical documents

# Cluster Characteristics

Sun Country Airline

| Clusters | 0 | 1 | 2 | 3 | 4 |
|---|---|---|---|---|---|
| **Passengers #** | 33,599 (2.2%) | 279,429 (18.3%) | 493,811 (32.4%) | 559,939 (36.7%) | 117,760 (7.7%) |
| **Age (Majority)** | Middle Age and Senior (56+) | Middle Age (36-55) | Young Adults (18-35) | Middle Age with kids | Age 18-55 |
| **Total Spending** | 46.56M (4.5%) | 239.77M (23.7%) | 319.18M (31.6%) | 405.63M (40.1%) | 180K (~0%) |
| **Top 1 Booking Channel** | SCA website Booking | SCA website Booking | Outside Booking | Outside Booking | Tour Operator Portal |

*More comprehensive cluster information can be found in the appendix

# Cluster 0 - Long Trip Travelers



**Avg Trip Length(Days)**

| | |
|---|---|
| cluster 0 | 21 days |
| cluster 1 | |
| cluster 2 | |
| cluster 3 | |
| cluster 4 | |

0    5    10    15    20    25
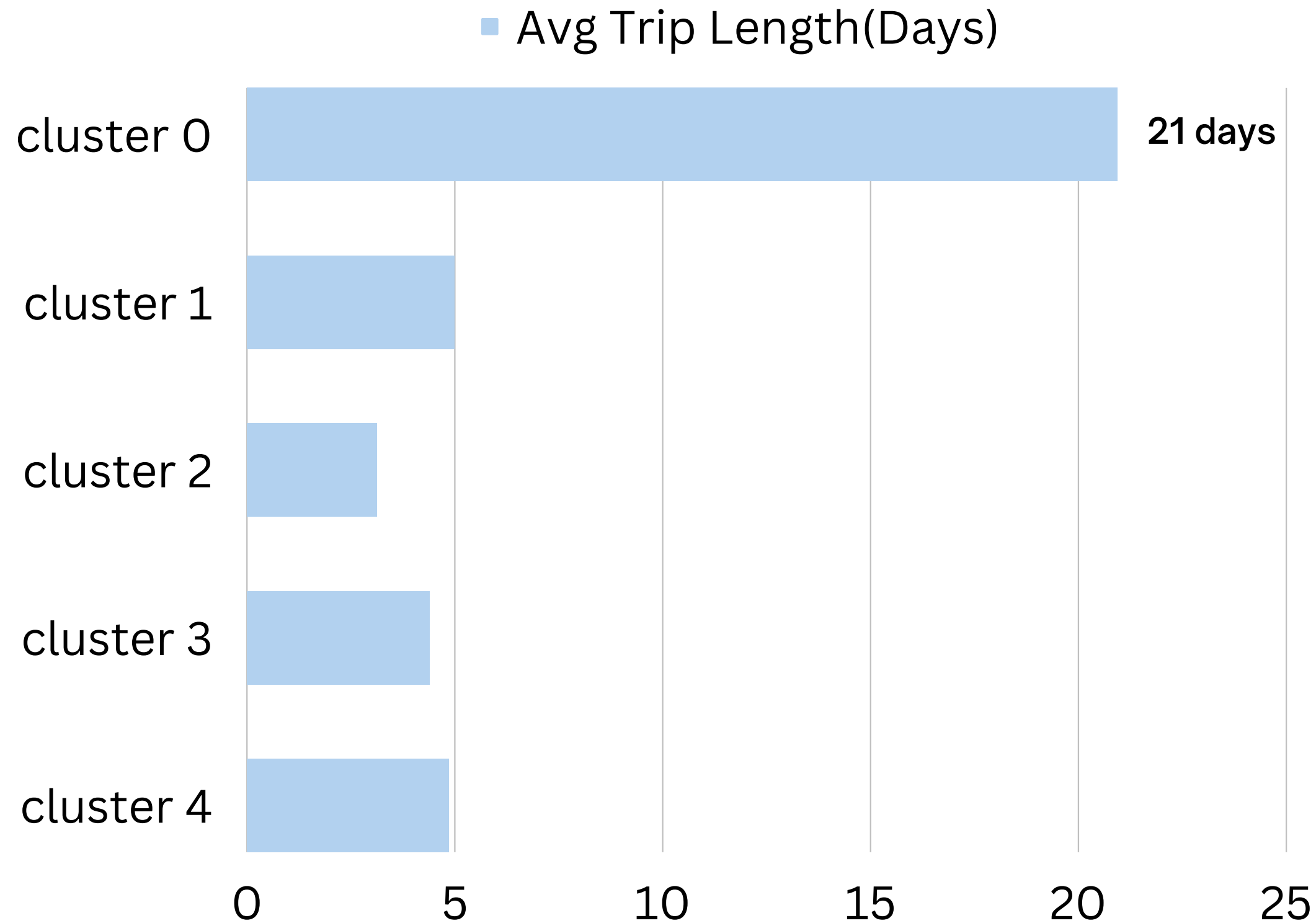
- Longest trip duration

- Flew most frequently: 2.6 times/year
  - 60% traveled 2 + times
  - 26% traveled 3 + times

# Cluster 1 - Frequent Group Travelers

■ Avg Travel Time per year

```
3 ─────────────────────────────

2 ─────────────────────────────

      1.4 times

1 ─────────────────────────────

0 ─────────────────────────────
   cluster 0  cluster 1  cluster 2  cluster 3  cluster 4
```
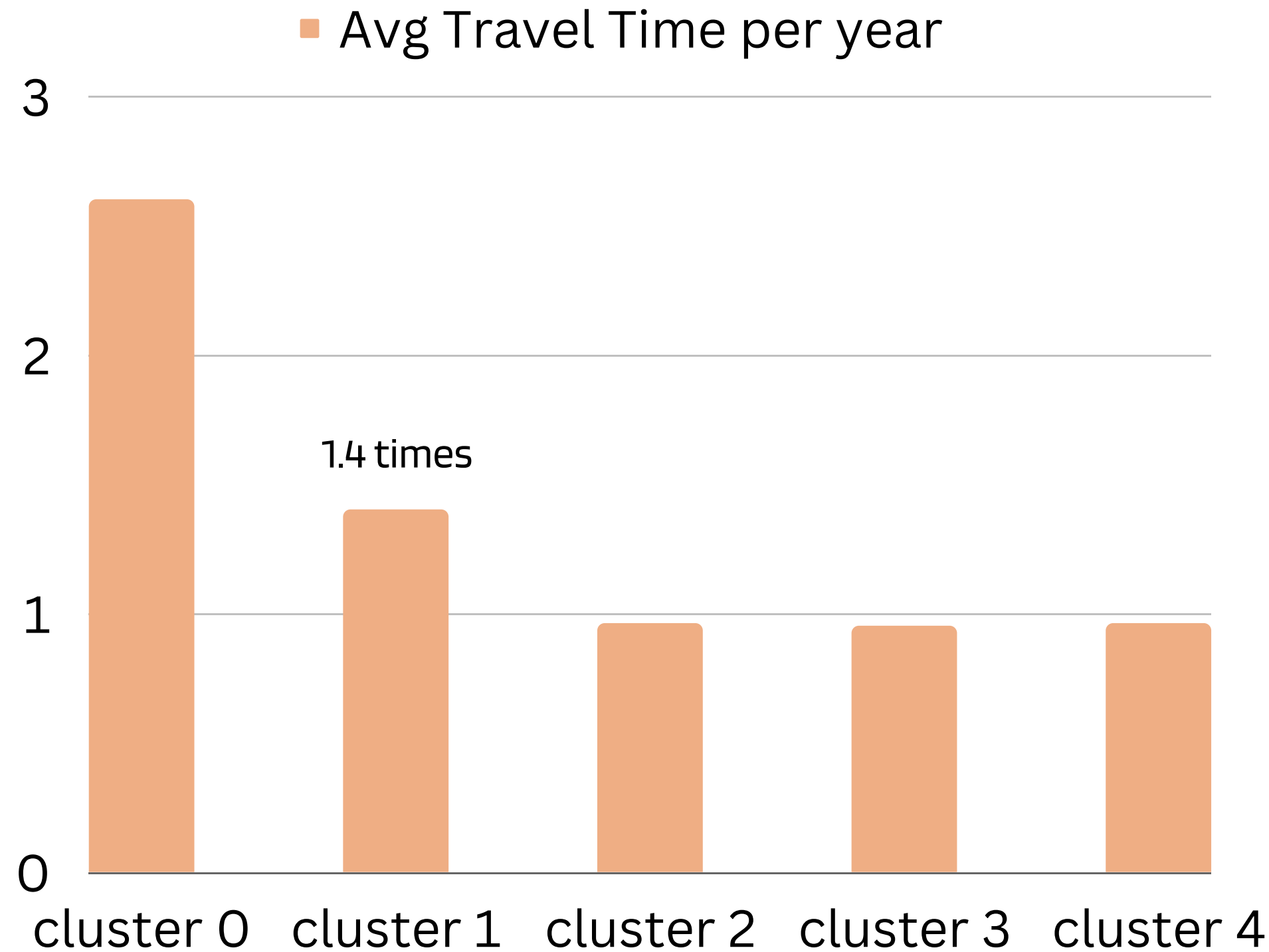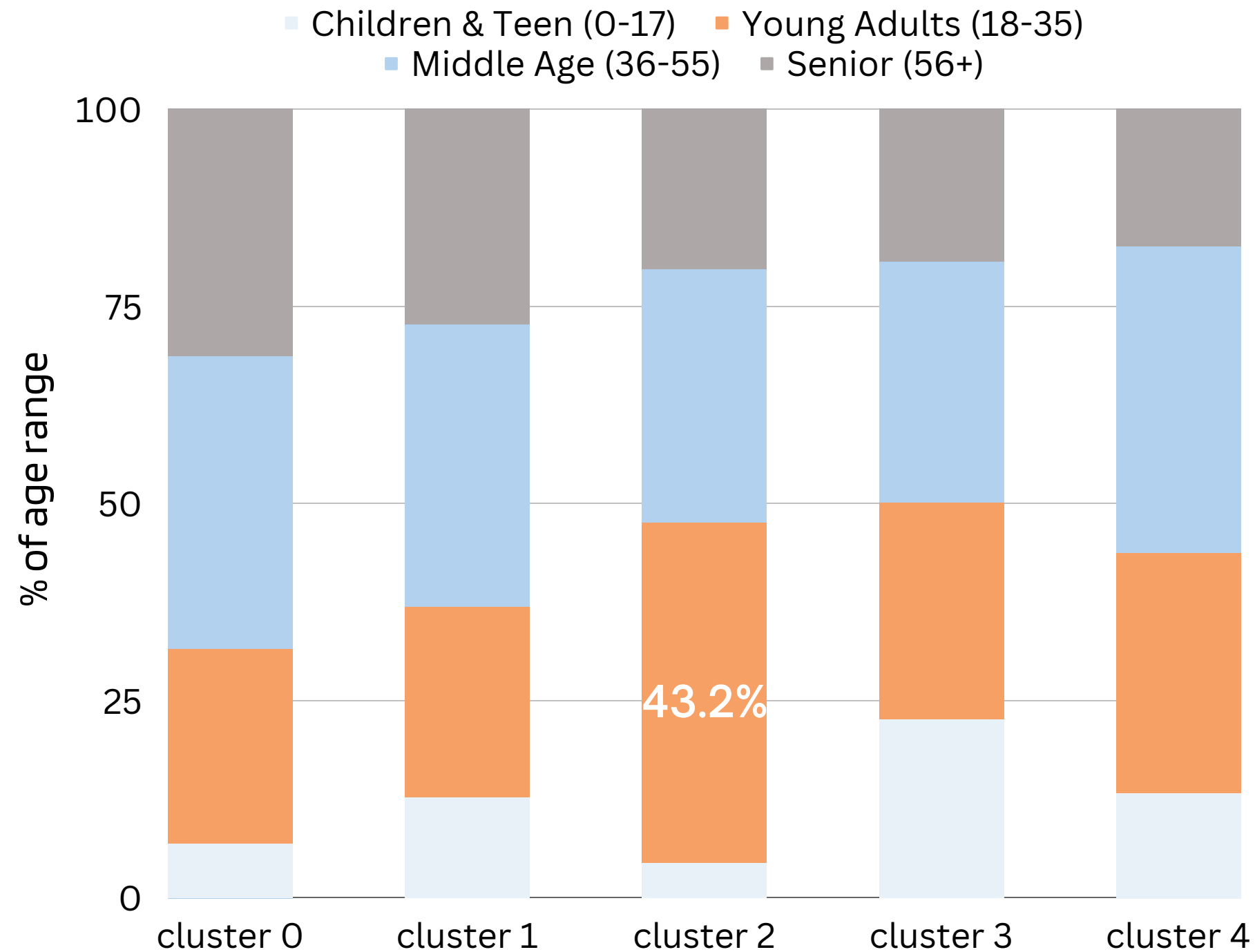
- 91% were flying in groups

- 57% are Ufly members

- Second most frequent travelers:
  - 90% traveled 1 + time/year

- Popular months: March & December
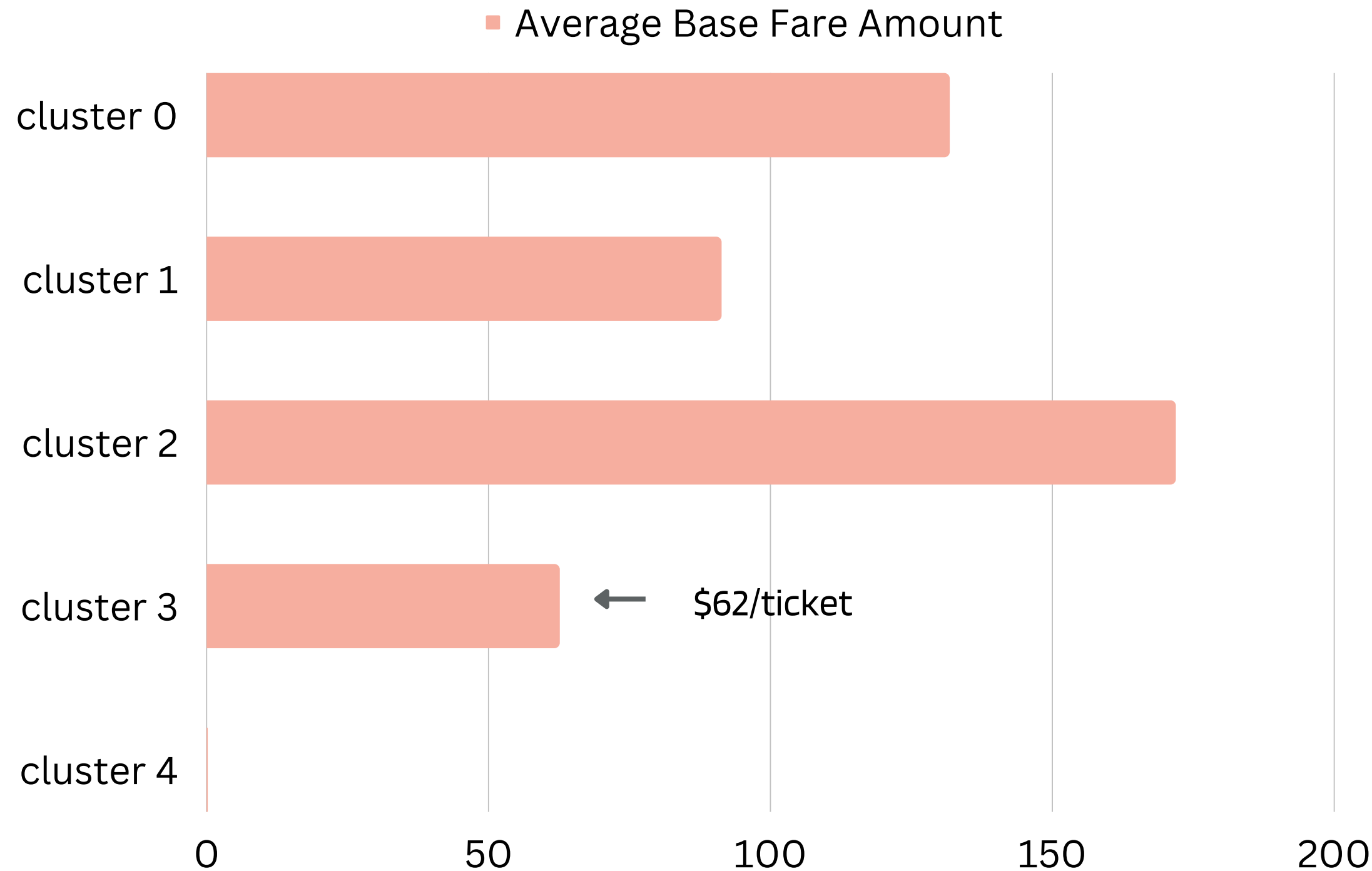- Popular cities: LAS & Florida (MCO & RSW)

# Cluster 2 - Young Solo



## Age Distribution

Legend:
- Children & Teen (0-17)
- Young Adults (18-35)
- Middle Age (36-55)
- Senior (56+)

Y-axis: % of age range (0, 25, 50, 75, 100)

X-axis: cluster 0, cluster 1, cluster 2, cluster 3, cluster 4

cluster 2 Young Adults: 43.2%

- 100% flying solo

- Mostly young adults (18-35)

- Popular months: December, July, and August

- Top destinations:
  - Q1: LAS
  - Q3 - Q4: JFK, SFO, and LAX

# Cluster 3 - Low Spending Family

■ Average Base Fare Amount

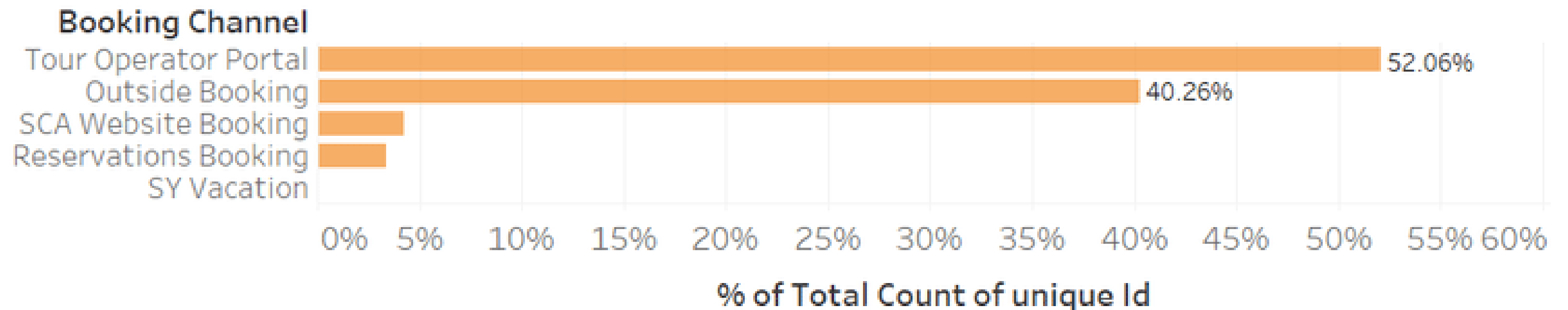| | |
|---|---|
| cluster 0 | |
| cluster 1 | |
| cluster 2 | |
| cluster 3 | ← $62/ticket |
| cluster 4 | |

0    50    100    150    200

- Lowest average spending among non-zero spending clusters

- 100% traveled with family
  - Highest proportion (22%) of children & teenagers

- Largest cluster
- 0% Ufly member

- Popular months: March, July, and August
- Top Destination: MCO - Orlando

# Cluster 4 - Tour Operator Travelers

- Mostly booked from Tour Operator Portal and Outside booking

- 100% flying with free tickets

- 83% traveled in groups

<Tour Operator Travelers Top Booking Channels>

**Booking Channel**

| Channel | % |
|---|---|
| Tour Operator Portal | 52.06% |
| Outside Booking | 40.26% |
| SCA Website Booking | |
| Reservations Booking | |
| SY Vacation | |

0%  5%  10%  15%  20%  25%  30%  35%  40%  45%  50%  55% 60%

% of Total Count of unique Id

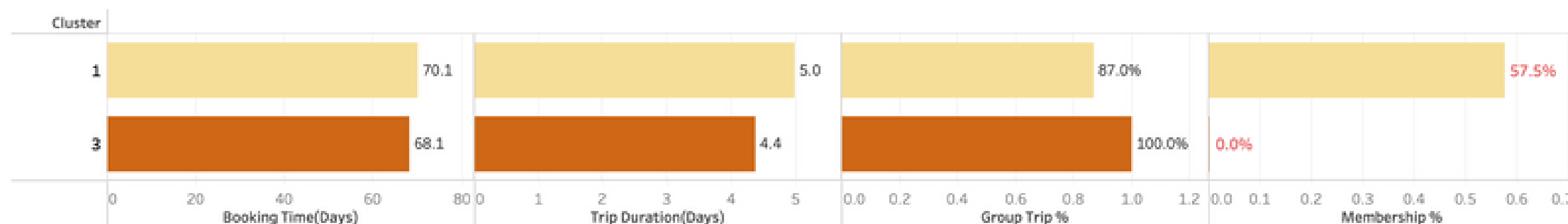![Sun Country Airline logo] Sun Country Airline

# Recommendations

***Sign-up Bonus for Family Group***

- **Opportunity**
  - Cluster 3 as the largest cluster has similar flying habits as cluster 1 but has no member
  - Should target cluster 3 (low-spending family group)

- **Recommendation**
  - *Offer one-time sign up bonus of 10000 points for signing up for Ufly rewards program and book first trip with 3 or more people*

## Cluster 1 and Cluster 3 Comparison



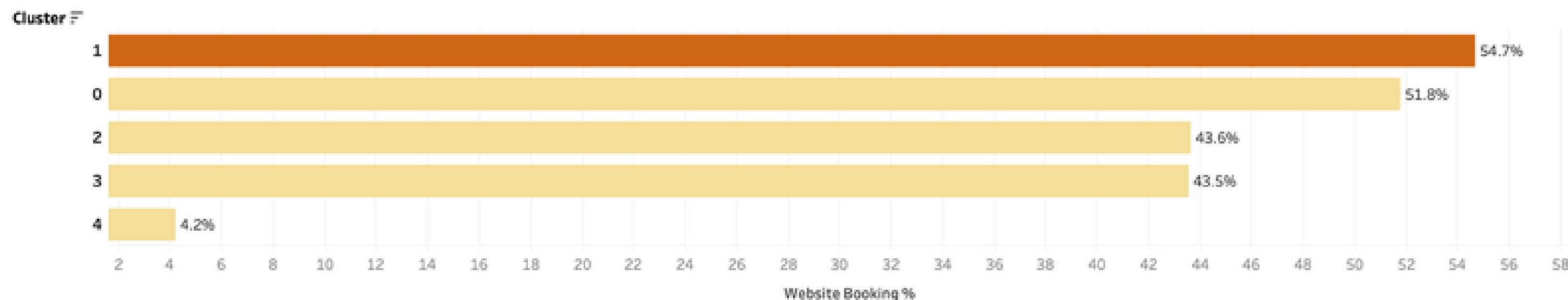| Cluster | Booking Time(Days) | Trip Duration(Days) | Group Trip % | Membership % |
|---|---|---|---|---|
| 1 | 70.1 | 5.0 | 87.0% | 57.5% |
| 3 | 68.1 | 4.4 | 100.0% | 0.0% |

![Sun Country Airline]

# Recommendations

*Customized Website Banners*

- **Opportunity**
  - Cluster 1 (frequent group travelers) mostly books on the Sun Country website
  - Top travel destinations: Las Vegas, Orlando, Cancun, and Dallas

- **Recommendation**
  - *Optimize the website booking experience and drive ticket sales with customized websites ads banners to show deals of these top destinations.*

Website Booking % Comparison Across Clusters

Cluster

| Cluster | Website Booking % |
|---------|-------------------|
| 1 | 54.7% |
| 0 | 51.8% |
| 2 | 43.6% |
| 3 | 43.5% |
| 4 | 4.2% |

Website Booking %

![Sun Country Airline logo] Sun Country Airline

# Recommendations

***Direct Marketing***

- **Opportunity**
  - Cluster 2 (young solo) top destinations:
    - Q1: Las Vegas.
    - Q2-Q4： New York
    - Average booking time： 36 days prior to flight time

- **Recommendation**
  - Sending marketing campaign emails to this group around December with ticket & hotel bundle deal



Cluster 2 Top Destinations by Quarter

# Appendix

 Sun Country Airline
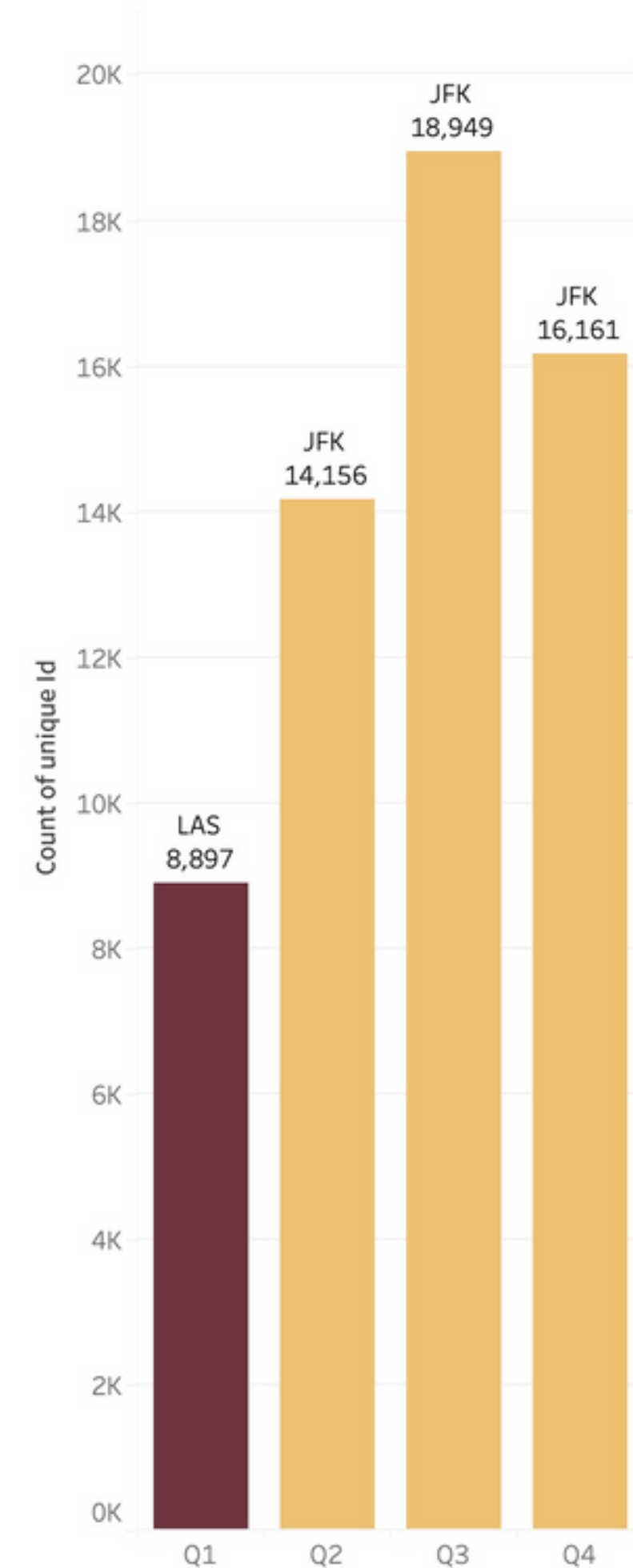
| Clusters | Long Trip Travelers | Frequent Group Travelers | Young Solo | Low Spending Family | Tour Operator Travelers |
|---|---|---|---|---|---|
| **Avg Spending** | $131.64 | $91.19 | $171.72 | **$62.51** | $0 |
| **Frequency/year** | **2.6 times** | **1.4 times** | 0.96 times | 0.95 times | 0.96 times |
| **Avg Free Tickets** | 30% free tickets | No free tickets | No free tickets | No free tickets | **All free tickets** |
| **Group vs Solo** | 57% Group | 91% Group | **All Solo** | **All Group** | 82% Group |
| **Avg Booking Time** | 56.06 days prior | 70.12 days prior | 36.98 days prior | 68.14 days prior | 32.08 days prior |
| **Avg Trip Duration** | **20.93 days** | 4.98 days | 3.11 days | 4.37 days | 4.85 days |
| **Membership** | 51.8% members | 57.5% member | 15.7% member | **Non-member only** | 10.2% member |