

## **A CLUSTER ANALYSIS APPROACH TO MARKET SEGMENTATION IN THE AIRLINES INDUSTRY**

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### **ABSTRACT**

This paper considers a market segmentation of the airlines's industry, using cluster analysis and a set of selected variables, some demographic, some having to do with the responders' flight experiences and some having to do with the responders' airport experiences. Specific airlines/"brands" are not detailed. The data are based on a survey by IBM Watson Analytics, and the sample size exceeds 100,000 customers. We find that we have 6 clusters, each of which has clear distinguishing characteristics. Marketing implications for reaching these clusters are examined.

**KEYWORDS:** Airlines, Cluster Analysis, Market Segmentation & Survey Data