**Objective.** Shift from a uniform program to **segment-led marketing** that grows revenue, protects margin, and reduces churn.

**Context (what the data shows).**

- **Value concentration:** Income and CLV are strongly right-skewed; a small cohort generates most value.

- **Churn pressure:** Cancellations rose steadily from 2016–2021.

- **Behavioral heterogeneity:** Many zero-flight months (seasonality/leisure); companion flights flag family/group travel.

- **Tier economics:** Aurora is smaller and higher value; Star/Nova are broader and less stable. (Confirm tier hierarchy in Phase 2.)

- **Channel signal: Standard** enrollment members **fly roughly 2× more** than other types at similar Income/CLV.

**Segmentation blueprint (to operationalize).**

- **Value:** High-Value Premium / Emerging Potential / Low Price-Sensitive Value.

- **Behavior:** Business Frequent / Leisure Seasonal / Family-Companions.

- **Geo/Demo:** Core provinces (e.g., Ontario) vs. under-represented regions (including rural) for expansion.

**90-day commercial actions (condensed).**

- **High-Value + Business Frequent:** Invite-only bundles (priority, lounge, bag), proactive upgrades; flexible changes, capacity guarantees on peak routes. **KPIs:** Premium conversion, repeat rate, Business NPS (Net Promoter Score).

- **Emerging Potential + Leisure Seasonal:** Seasonal bundles (seat+bag+bonus points), early-bird before peaks. **KPIs:** Tier-ups, frequency uplift, 90-day revenue delta, peak conversion, load factor.

- **Family/Companions + Price-Sensitive:** Points pooling, companion discounts, adjacent seating; price/points alerts, first-flight earn-back, light bundles. **KPIs:** Companion attach, party size, redemption frequency, 60-day reactivation, cost/reactivated, margin/booking.

**Measurement & cadence.**

- **Primary:** CLV by segment, retention/churn trend, segment ARPU, ancillary per pax.

- **Journey:** Tier progression, redemption rate (post RedeemRatio fix), cohort frequency.

- **Governance:** Monthly segment reviews, A/B testing on offers, quarterly re-scoring & drift checks.

**Next steps (Phase 2).**

1. Finalize features for multi-lens clustering (Value/Behavior/Geo: Tenure, IsActive, companion ratio, EnrollmentType).

2. Run K-Means + Hierarchical; target **3–5** interpretable clusters (silhouette/Davies-Bouldin + business read).

3. Convert clusters into personas + offer matrix; wire KPIs to an executive dashboard.

**Bottom line.** Differentiate now: capture premium upside, reactivate the base efficiently, and run a segment-led program that lifts CLV and protects margin.