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Hotel and Car Rental Rewards Now Available to 300 Million Frequent Flier Members Worldwide

*But consumer values differ widely among airlines offering alternative rewards
designed to reduce mileage and point liability*

December 1, 2011, Shorewood, Wisconsin – Ten of the world's major airlines now offer a reward benefit introduced just two years ago. United Airlines provided instant gratification by allowing MileagePlus members to spend miles for hotel and car rental rewards online in 2009. Today, an estimated 300 million program members¹ at 10 airlines can redeem miles or points online for hotel stays at 200,000 properties and car rental locations worldwide. The latest report from IdeaWorks describes how some airlines are successfully removing liability from balance sheets by offering more reward alternatives to frequent flier program members.

The programs introduced 30 years ago for a small cadre of business travelers have become a multi-billion dollar business featuring big banks, global partnerships, and vast networks of retail partners. But the dual arrival of co-branded credit cards and capacity-controlled reward travel during the 1980s changed the balance between the airline industry and frequent flier program members. Airline management quickly recognized the revenue potential of selling billions of miles to their bank partners. The resulting drum beat of consumer complaints about reward seat availability continues today. However, conditions have slowly improved for consumers as a growing number of initiatives, such as lodging and rental car redemption, make frequent flier programs more rewarding.

But values differ significantly among airlines, and consumers should carefully consider reward value before redeeming their miles and points. Reward values surveyed by IdeaWorks for hotel accommodations range from a low of 3/10 of a US cent (\$0.003) to 1.5 US cents (\$0.015) per mile or point. Elite status with a program might boost values by 14 to 40% or more. The overall trend is clear - - airlines want members to redeem more miles and points.

The IdeaWorks List of Hotel and Car Rewards for the World's Top-30 Airlines was released today as a free 14-page report sponsored by ezRez Software and available at the IdeaWorks website: www.IdeaworksCompany.com/news.

About IdeaWorks: IdeaWorks was founded in 1996 as a consulting organization building brands through innovation in product, partnership and marketing, and building profits through financial improvement and restructuring. Its international client list includes airlines and other travel industry firms in Asia, Europe, the Middle East, and the Americas. IdeaWorks specializes in ancillary revenue improvement, brand development, customer research, competitive analysis, frequent flier programs, and on-site executive workshops. Learn more at IdeaWorksCompany.com.

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¹ *IdeaWorks estimate of membership in the ten frequent flier programs offering online hotel and car rewards.*