

Cash is King: Revenue Now Rules Frequent Flyer Program Accrual

The four largest programs in the world now use revenue based accrual. Learn why American, Delta, Southwest, and United have embraced this new world order.

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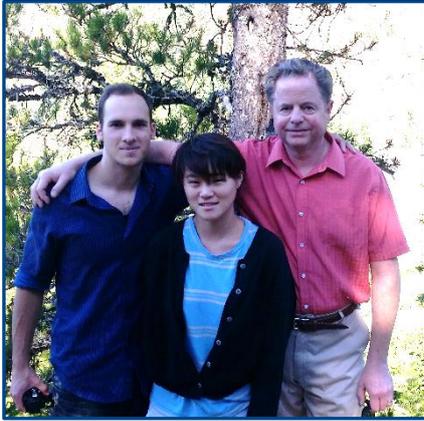
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About Jay Sorensen, Writer of the Report

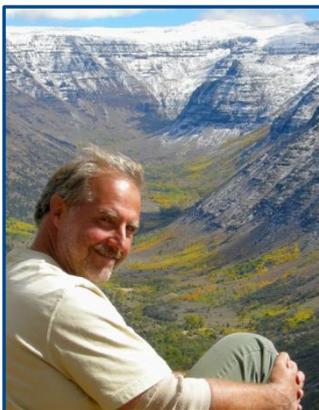
Jay Sorensen's research and reports have made him a leading authority on frequent flyer programs and the ancillary revenue movement. He is a regular keynote speaker at the annual MEGA Event, spoke at IATA Passenger Services Symposiums in Abu Dhabi and Singapore, and has testified to the US Congress on ancillary revenue issues. His published works are relied upon by airline executives throughout the world and include first-ever guides on the topics of ancillary revenue and loyalty marketing. He was acknowledged by his peers when he received the Airline Industry Achievement Award at the MEGA Event in 2011.



Jay, with son Aleksei and daughter Annika, in North Cascades National Park in Washington.

Mr. Sorensen is a veteran management professional with 30 years experience in product, partnership, and marketing development. As president of the IdeaWorksCompany consulting firm, he has enhanced the generation of airline revenue, started loyalty programs and co-branded credit cards, developed products in the service sector, and helped start airlines and other travel companies. His career includes 13 years at Midwest Airlines where he was responsible for marketing, sales, customer service, product development, operations, planning, financial analysis and budgeting. His favorite activities are hiking, exploring and camping in US national parks with his family.

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Eric Lucas is an international travel, culture and natural history writer and editor whose work appears in Michelin travel guides, *Alaska Airlines Magazine*, *Westways Magazine* and numerous other publications. Founding editor of *Midwest Airlines Magazine*, he is the author of eight books, including the 2017 *Michelin Alaska* guide. Eric has followed and written about the travel industry for more than 25 years. He lives in Seattle, Washington, where he grows organic garlic and heirloom corn; visit him online at TrailNot4Sissies.com.

Eric, at his favorite summer retreat, Steens Mountain, Oregon.

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Mileage flown is no longer a reliable proxy to represent the value of a customer. The era of deregulation and arrival of low cost carriers changed pricing stability; very often long distance flights in competitive markets were priced at a fraction of short hops. The business traveler paying \$600 earned the same 900 FFP miles as the leisure traveler who nabbed a \$75 fare. Airline managers questioned the fairness and effectiveness of methods which didn't better recognize the value of premium customers.

| Frequent Flyer Accrual Methods | |
|---------------------------------------|--|
| Base Mile/Point Calculation | |
| Distance Based | This is the oldest and most traditional method, with the distance flown by the passenger equaling the base level of mileage accrual. For example, a 1,000 mile flight accrues 1,000 FFP miles. Some airlines use bands of distance to determine point accrual. Qantas flights over 1,501 miles (in Australia) accrue 1,450 points for discount economy fares; ultimately accrual is based upon the distance flown. |
| Revenue Based | The passenger fare, and perhaps a la carte spending, is the basis for calculating point accrual. Spending of €100 by the member might accrue 100 points in a simple program structure. |
| Bonus and Adjustment | |
| Fare Type Multiplier | Base accrual occurs through one of the two methods described above. The fare purchased determines the adjustment made to the base. This may provide bonus miles (or points) for higher fares (such as business class) or reduction for lower fares (such as discounted economy). |
| Elite Tier Bonus | Elite members often receive bonus miles (or points) based upon their elite status. For example, "silver" tier members receive a 25 percent bonus for any fare-related accrual. |

Airlines began to tinker with accrual and reward mechanisms. While "miles" remained a de facto currency, airlines provided a mileage boost for first and business class fares. Fare multipliers have been applied to the entire spectrum of fares; discounted economy fares often earn less than the actual miles flown. In addition, bonuses appeared as a benefit for elite level program members. Airlines have bent the original definition of mileage accrual to fit a desire which emphasizes higher margin fares and the most frequent of travelers. Then the introduction of frequent flyer programs by low cost carriers erased this complexity in favor of recognizing only how much a consumer spent.

All of the top 25 airlines use revenue to influence FFP accrual

This report focuses on how frequent flyer programs award miles and points to their members and the methods used to convert miles and points into air travel rewards. IdeaWorksCompany reviewed the frequent flyer programs offered by the world's largest 25 airlines. Some airlines, such as easyJet, Indigo, and Ryanair, qualified for inclusion based upon passenger traffic, but don't offer a frequent flyer program. The table on the following page summarizes the types of accrual methods offered along with a description of how airlines make adjustments for fare types and boost accrual for elite tier members.

Frequent Flyer Accrual Methods of Top 25 Airlines

Largest airlines based upon traffic

| Airlines <i>Alphabetical order</i> | Currency | Calculation Method | | Accrual Adjustment | |
|---------------------------------------|------------|-----------------------|----------------------|----------------------|---------------------|
| | | Revenue Based | Distance Based * | Fare Type Multiplier | Elite Tier Bonus ** |
| Aeroflot | Miles | | ■ | ■ | ■ |
| Air Asia | Points | ■ | | ■ | |
| Air Berlin | Miles | | ■ | ■ | |
| Air Canada | Miles | | ■ | ■ | ■ |
| Air China | Kilometers | | ■ | ■ | ■ |
| Air France / KLM | Miles | | ■ | ■ | ■ |
| Alaska / Horizon | Miles | | ■ | ■ | ■ |
| All Nippon | Miles | | ■ | ■ | ■ |
| American | Miles | ■ | | | ■ |
| British Airways | Points | | ■ | ■ | ■ |
| Cathay Pacific | Points | | ■ | ■ | |
| China Eastern | Points | | ■ | ■ | ■ |
| China Southern | Miles | | ■ | ■ | ■ |
| Delta Air Lines | Miles | ■ | | | ■ |
| Emirates | Miles | | ■ | ■ | ■ |
| GOL | Miles | <i>Domestic</i> | <i>International</i> | ■ | ■ |
| Hainan | Points | <i>Eff. July 2017</i> | ■ | ■ | ■ |
| Japan Airlines | Miles | | ■ | ■ | ■ |
| JetBlue | Points | ■ | | ■ | ■ |
| LATAM | Miles | | ■ | ■ | ■ |
| Lufthansa | Miles | | ■ | ■ | ■ |
| Qantas | Points | | ■ | ■ | ■ |
| Southwest | Points | ■ | | ■ | ■ |
| Turkish | Miles | | ■ | ■ | ■ |
| United | Miles | ■ | | | ■ |

* Directly determined by distance flown or linked to travel zones. ** May selectively apply by fare type.

Research conducted by IdeaWorksCompany at airline websites, January 2017.

Top 25 designation: Airline Business July/August 2016 and the 2016 Ancillary Revenue Yearbook

The title of this report claims “Revenue now rules frequent flyer program accrual.” At first glance, the appearance of just seven airlines in the Revenue Based column seems at odds with the claim (Hainan Airlines will become the 8th when it switches to a revenue based method in July 2017). Certainly among US airlines, the revenue based method used by American, Delta, JetBlue, Southwest, and United, is clearly dominant. The Fare Type Multiplier column must also be considered when measuring the influence of revenue on mileage and point accrual. Every airline, except American, Delta, and United, currently uses the type of fare purchased by the consumer to help determine the final tally of a member’s mileage or point total. Simply said, the distance flown by a member has lost much of its relevance.

Air France and Southwest effectively promote FFP accrual

Money is an important motivator. It’s one of the reasons why the world shows up for work every day. We are motivated by the knowledge of how much we get paid. Managers know the best pay plans provide a direct connection between high quality work and better pay. If the method seems random or lacking transparency, employees may lose the desire to do their best. The same premise is true for frequent flyer programs.

Flying Blue Miles Calculator

From

To

Select your airline

Select your cabin class

One way Return

[+ Show advanced options](#)

Flying Blue Miles Calculator results

From New York JFK (JFK) **To:** Paris-Charles de Gaulle (CDG)
Class: Economy **Date:** 07/02/2017

| | Award Miles (Approximately) | Level Miles (Approximately) |
|----------|-----------------------------|-----------------------------|
| Ivory | 3640 | 3640 |
| Silver | 5460 | 3640 |
| Gold | 6370 | 3640 |
| Platinum | 7280 | 3640 |

C'est magnifique. The Air France Flying Blue calculator delivers transparency for the number of miles earned using simple inputs or just as easily, the number of miles required for reward travel.

Complexity merely confuses the consumer. And unfortunately, airlines are masters of complexity. Prices displayed to consumers at websites often lack any reference to fare codes. And yet, the very same airline may rely upon a dizzying array of fare codes to describe what percent of the miles flown might actually be earned for a flight. Simply said, we forget to clearly tell the consumer how many points they earn from their purchase behavior.

Qantas defines eight fare types and 27 geographic zones to yield 200+ combinations to communicate how many points are earned. GOL uses a revenue based method for flights within Brazil and distance flown for international flights. Status continues to be determined by the number of miles flown. All Nippon Airways considers multiple factors for calculating its elite tier bonuses, which include the type of credit card held by the member and tenure of elite status. If consumers are dedicated to learning the nuances of your program, complexity might be acceptable. However, in practice consumers will simply remove an airline from consideration if great effort is required to understand the value provided by its frequent flyer program.

In so many ways, Southwest operates an exceptional frequent flyer program; it's easy for consumers to understand and is smartly promoted to customers. Displayed below is a screenshot of the fare selection display for a flight from Chicago to Los Angeles. Rather than confuse the consumer with a labyrinth of mileage tables, zones, and fare codes, the airline motivates by transparently describing how spending more will earn more points.

All fares are rounded up to the nearest dollar.

| Depart | Arrive | Flight # | Routing | Travel Time | Business Select \$560 - \$569 | Anytime \$532 - \$541 | Wanna Get Away \$114 - \$248 |
|---------|----------|----------|---------|-------------|---|--|---------------------------------|
| 6:00 AM | 8:25 AM | 1776 | Nonstop | 4h 25m | <input type="radio"/> \$560 | <input checked="" type="radio"/> \$532 | <input type="radio"/> \$114 |
| | | | | | <div style="border: 1px solid black; padding: 5px;"> <p>\$28 more and upgrade to BUSINESS SELECT® Anytime Benefits PLUS Priority Boarding 1,276 more Rapid Rewards® Points Fly By® Priority Lane Free Premium Drink (on day of travel)</p> <p>ANYTIME 4,816 Rapid Rewards® Points Fully Refundable Same-Day Changes</p> </div> | | |
| 8:25 AM | 10:50 AM | 4188 | Nonstop | 4h 25m | <input type="radio"/> \$560 | <input type="radio"/> \$532 | <input type="radio"/> \$159 |

Southwest provides an exceptional presentation of point transparency and motivation to upgrade to a higher fare.

Selecting a particular fare instantly reveals the applicable point accrual in the Rapid Rewards program. Sadly, this is a rare achievement among frequent flyer programs. If you truly believe your program inspires loyalty . . . then you should be abundantly clear about the reward provided for buying your products. Instead, the reverse seems to be true for most programs; they almost seem to intentionally hide the miles or points tied to specific purchases.

Caution! The FFP accrual method you choose creates distinction

It's impossible to designate which frequent flyer program is best as any overall rating is subjective. Some consumers seek an international network of flights, look for a credit card with no annual fee, or are enticed by the promise of easy reward redemption. For decades the method used to calculate mileage accrual was a minor factor because it was almost always determined by the distance flown. As demonstrated in this report, this universal currency has been altered by fare type multipliers, elite tier bonuses, and revenue based accrual . . . with the latter canceling any relationship with distance traveled. But now, consumers must carefully consider which method maximizes reward benefits for their individual style of travel. This includes the type of elite tier bonus offered, which has become a widespread benefit with 22 of 25 airlines including this feature.

Delta dramatically changed how its members earned miles at the beginning of 2015. Gone was the distance based method, and replacing it was accrual determined by a combination of spending and elite tier status. It was a significant change that was eventually matched by American and United. The move didn't represent something entirely new as low cost carriers already relied upon spending to determine how many points were posted to member accounts. Prior to this, Southwest completely redesigned its Rapid Rewards program in 2011 to use airfares to determine point accrual and reward prices.² The change implemented by American, Delta, and United was notable because these airlines are global giants and major alliance players.

² "Southwest Airlines Introduces The All-New Rapid Rewards Program!" press release dated 05 January 2011 at Southwest.com.

The competitive battle between Alaska Airlines and Delta in the Seattle market provides an interesting laboratory for analysis because these competitors use different methods of accrual. Alaska recently reaffirmed its commitment to distance based accrual. At the same time, its Mileage Plan made changes, which included reducing the mileage price on many rewards, especially for trips under 1,400 miles.³ It's a change that increased the value of Alaska's reward miles. That factor, along with the distinctly different methods of calculating mileage accrual, makes comparing the two programs a challenge for everyday consumers.

Alaska relies on the distance based method which delivers advantages to travelers buying cheap fares and taking longer flights. They accrue more miles by flying Alaska than buying the same fare for travel on Delta. Conversely, higher fares (or higher yield fares) generate more miles for Delta SkyMiles members than a trip at the same fare on Alaska. Even when including elite tier bonuses, the advantage remains consistent for each airline. As shown in the examples in the table, the comparative advantage can range from 70 to 120 percent.

| Comparing Distance and Revenue Based Accrual | | | | | | |
|---|---|----------------------|----------------|---------------|--------------------|----------------|
| Economy Class at low and high yields | | | | | | |
| Airlines (method) | Query | Base Fare (Yield) | Regular Member | | Gold Tier Member * | |
| | | | Accrual | Advantage | Accrual | Advantage |
| Alaska (distance) | Seattle – SFO Roundtrip May 2017 | \$160 (\$0.118) | 1,356 miles | Alaska 70% | 2,712 miles | Alaska 112% |
| Delta (revenue) | | | 800 miles | | 1,280 miles | |
| Alaska (distance) | Seattle – SFO Roundtrip February 2017 | \$596 (\$0.44) | 1,356 miles | Delta 120% | 2,712 miles | Delta 76% |
| Delta (revenue) | | | 2,980 miles | | 4,768 miles | |
| <i>Queries completed by IdeaWorksCompany at airline websites, February 2017</i> <i>* Gold tier represents 2nd tier in each program and accrual includes the bonus provided.</i> | | | | | | |

Of course airlines have many tools to entice specific types of travelers. For example, a mileage promotion can dramatically change these outcomes. Or, an airline might generously offer more upgrades and lounge access to woo higher yield business travelers. Lower yield, less frequent travelers, can also be attracted through credit card offers that deliver more miles, lower fees, or special features. However, it's likely that over the passage of time, Alaska will gain a loyalty advantage with everyday travelers, while Delta will score higher among business travelers who traditionally pay higher fares. It is worth noting that intense competition leads to lower fares and this might provide an overall advantage for Alaska.

Another compelling case of mileage contrasts can exist within the supposed camaraderie of an airline alliance. Delta is joined in alliance with Air France, and United partners with Lufthansa. In both examples, the US partner uses revenue based accrual while the European carrier relies on the tradition of distance based accrual.

³ "Alaska Airlines announces new enhancements to Mileage Plan" dated 19 December 2016 at AlaskaAir.com.

What's a customer to do? All other factors being equal, they probably should join the US program. The table below lists the options available for travel between Chicago and Frankfurt. Regardless of fare type, the advantage goes to the carrier using revenue based accrual — United. This undoubtedly causes great grinding of teeth for the partners because of the imbalances created by the different methods of accrual.

| Comparing Distance and Revenue Based Accrual Economy and Business Class | | | | | | |
|--|--|----------------------|----------------|----------------|--------------------|----------------|
| Airlines (method) | Query | Base Fare (Yield) | Regular Member | | Gold Tier Member * | |
| | | | Accrual | Advantage | Accrual | Advantage |
| Lufthansa (distance) | Chicago - FRA Roundtrip May 2017 Economy | \$1,180 (\$0.136) | 4,334 miles | United 36% | 6,502 miles | United 45% |
| United (revenue) | | | 5,900 miles | | 9,440 miles | |
| Lufthansa (distance) | Chicago - FRA Roundtrip May 2017 Business | \$5,210 (\$0.601) | 8,668 miles | United 201% | 10,836 miles | United 286% |
| United (revenue) | | | 26,050 miles | | 41,860 miles | |

Queries completed by IdeaWorksCompany at airline websites, February 2017
* Gold tier represents 2nd tier in each program and accrual includes the bonus provided.

Storms occur at the point where different weather systems meet each other. It's nature's method of equalizing an imbalance. The analogy of a weather disturbance can also apply to the conflict occurring within the alliance relationships involving American, Delta, and United. It's not easy for consumers (and employees) to understand these distinctions and it's equally difficult for airlines to coexist when such great policy disparities exist.

Frequent flyer programs are a major component of the oneworld, SkyTeam, and Star Alliances and can easily be called the glue that binds them together. When a key partner implements a change, this reverberates throughout the entire alliance. The likely outcome is for the alliance to eventually adopt the new practice to bring the alliance back into alignment. Look for global airlines outside the US to move from the combination of distance based accrual and fare type multipliers to the revenue based method used by American, Delta, and United.

Only JetBlue, Qantas, and Southwest use Pay with Points among top airlines

Similar to the accrual research presented earlier in this report, IdeaWorksCompany reviewed the methods used to determine reward prices for the world's largest 25 airlines. The traditional method of defining reward levels through a published price list prevails among the top 25 airlines. This could be considered a curious relic of the past for an industry that distinguishes itself by the dynamic pricing of regular airline tickets. Reward charts are used by 18 of the world's largest airlines. Only three airlines (JetBlue, Qantas, and Southwest) use a method which allows airfares to determine the price of a reward ticket for all members. The following table displays the results for the 25 airlines reviewed.

Frequent Flyer Reward Methods of Top 25 Airlines

Air travel rewards on the airline operating the FFP - Largest airlines based upon traffic

| Airlines <i>Alphabetical order</i> | Currency | Pay with Points | Points and Cash * | Variable Reward Pricing ** | Classic Method <i>(Traditional)</i> |
|---------------------------------------|------------|-----------------|-------------------|-------------------------------------|--|
| Aeroflot | Miles | | | | ■ |
| Air Asia | Points | | | ■ | |
| Air Berlin | Miles | | | | ■ |
| Air Canada | Miles | | | <i>Aeroplan offers both methods</i> | |
| Air China | Kilometers | | | | ■ |
| Air France / KLM | Miles | | | ■ | |
| Alaska / Horizon | Miles | | ■ | <i>Economy Class</i> | <i>First Class</i> |
| All Nippon | Miles | | | | ■ |
| American | Miles | | | | ■ |
| British Airways | Points | | ■ | | ■ |
| Cathay Pacific | Points | | | | ■ |
| China Eastern | Points | | | | ■ |
| China Southern | Miles | | | | ■ |
| Delta Air Lines | Miles | | | ■ | |
| Emirates | Miles | | ■ | | ■ |
| GOL | Miles | | ■ | ■ | |
| Hainan | Points | | ■ | | ■ |
| Japan Airlines | Miles | | | | ■ |
| JetBlue | Points | ■ | | | |
| LATAM | Miles | | | ■ | |
| Lufthansa | Miles | | | | ■ |
| Qantas | Points | ■ | ■ | | ■ |
| Southwest | Points | ■ | | | |
| Turkish | Miles | | | | ■ |
| United | Miles | | | | ■ |

* Excludes Points and Cash options which require the member to hold a particular credit card.

** FFPs lack a defined reward chart and may describe rewards as "starting at xx miles."

Research conducted by IdeaWorksCompany at airline websites, January 2017.

Top 25 designation: Airline Business July/August 2016 and the 2016 Ancillary Revenue Yearbook
Rewards on partner airlines may differ from the methods listed.

There's also a relatively new game in town with "variable reward pricing." Seven of the top airlines don't rely upon defined reward prices. Rather, these airlines offer a limited number of reward levels which are presented to the consumer based upon the level of demand for the flight queried. The following table defines the four categories of methods used by the airlines reviewed.

| Frequent Flyer Reward Methods | |
|---|--|
| Pay with Points | The cash fare level determines the reward price in points. There is often a direct relationship, such as each point may be redeemed for 1.3 cents of air fare. The points to cash relationship may vary by fare and cabin type. Points are redeemed to pay the entire fare amount. |
| Points and Cash | Members may use a mixture of cash and points (and miles) to buy reward travel. Exceptional flexibility can be provided by a sliding scale that permits a large number of combinations, or perhaps a limited set of defined options. |
| Variable Reward Pricing | This method displays the reward price when a specific itinerary is priced. Demand for seats on the flight determines which price points will be offered for the member's query. Reward charts might be offered, but these usually indicate the lowest reward price in miles or points, or a range of prices. |
| Classic Method (Traditional) | This is the most traditional method and dominates the industry. The airline adheres to a reward chart that's typically defined by geographic zones. Low and high reward levels might be used with higher priced rewards providing more seat availability. The carrier usually belongs to an alliance and has adopted globally agreed upon reward levels. |

Reward availability has provided moments of acute pain for frequent flyer program members. Reward charts are often binary by design; the reward is either available or unavailable on a specific flight. And of course, the process of revenue management does not disclose the reason, but instead leaves the consumer feeling frustrated or worse . . . feeling cheated.

"Pay with points" is the most transparent of the methods listed. This is especially true when consumers can literally toggle between the cash and points price for a flight. The last seat on a flight can be purchased for more miles or more cash. Program managers who have implemented pay with points disclose this rarely happens. It's true, consumers are inclined to seek the lowest price, whether they are paying with cash or points. This encourages consumers to book the flights with the lowest fares . . . and ultimately the flights that have the lowest level of demand. This helps the airline minimize the displacement of high yield passengers.

Southwest has enjoyed big success with its Rapid Rewards program after making the switch in 2011 to revenue based reward pricing. Similar to the example provided earlier in this report, the airline has nicely integrated its frequent flyer program into the booking path. Consumers can select to price their desired itinerary in dollars or Rapid Rewards points.

| Filter My Results | | | | | Show fares in | | |
|--|----------|----------|---------|-------------|---|---|--|
| <input checked="" type="checkbox"/> Nonstop <input type="checkbox"/> Direct (No plane change, with stops) | | | | | <input type="button" value="\$"/> <input type="button" value="Points"/> | | |
| Award travel is subject to payment of the government-imposed September 11th Security Fee, of \$5.60 per one-way trip. | | | | | | | |
| Depart | Arrive | Flight # | Routing | Travel Time | Business Select 60,920 Pts | Anytime 48,162 Pts | Wanna Get Away from 6,640 Pts |
| 7:05 AM | 9:30 AM | 4428 | Nonstop | 4h 25m | <input checked="" type="radio"/> 60,920 | <input checked="" type="radio"/> 48,162 | <input checked="" type="radio"/> 6,680 |
| 8:50 AM | 11:20 AM | 4174 | Nonstop | 4h 30m | <input type="radio"/> 60,920 | <input type="radio"/> 48,162 | <input type="radio"/> 8,154 |

Why should shopping for reward travel be any different than buying a ticket? Here is an example of reward selections for a Chicago to San Francisco reward query at Southwest.com. Note the \$ and Points option in the upper right corner.

Southwest’s full selection of branded fares is available for reward booking. It’s a transparent method that is readily understood by the consumer. It doesn’t rely upon the static nature of a reward chart and mysteries associated with variable pricing. When this is combined with its use of revenue based accrual, it provides Southwest a “matched set” to create a comprehensive environment of fairness for the consumer.

Airlines should design an FFP that meets their strategic need

After Delta’s big move to innovate in 2015, its competitors did not react by being equally innovative. American and United virtually matched the changes made by SkyMiles. Perhaps when global giants are involved, the marketplace rewards stability and consistency. This suggests their partner carriers in the oneworld, SkyTeam, and Star Alliances will likely follow precedent and move towards revenue based accrual. Perhaps carriers like Air France, Japan Airlines, and Lufthansa, will merely duplicate the template established by their US partners.

Low cost carriers have less tenure in the loyalty business and have traditionally introduced programs that rely upon revenue based methods for accrual and reward redemption from the very start. Among the largest LCCs this reliance upon revenue is a normal practice: Aer Lingus, AirAsia, Azul, Cebu Pacific, Frontier, Pegasus, Norwegian, Spring Airlines, and WestJet. As is their habit, these airlines have consciously avoided the FFP model established by network airlines. Instead, they built their programs on a design long relied upon by retailers, such as delivering a loyalty point for every dollar, euro, or rupee spent on coffee, groceries, and petrol. LCCs have developed a reputation for being savvy retailers, and borrowing the retail model for loyalty makes perfect sense.

That’s why it’s interesting to watch Alaska Airlines go against the tide and stay with distance based accrual. The airline feels it has identified a meaningful distinction that will resonate with its customers. While keeping the status quo doesn’t represent innovation, it demonstrates a willful spirit to be different. IdeaWorksCompany always recommends its clients find their “sweet spot.” This is the intersection of three factors: where your company has strong capabilities, where competitors are weak, and what customers have identified as being important. In other words, design products based upon your strengths, your competitor’s weaknesses, and strong customer need. Regardless of what your competitors may do, your FFP should strive to find its sweet spot.

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- Moving to Merchandising Methods in the Cabin (75 minutes)

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- NEW** Revenue-Based Accrual as the New World Order (45 minutes)
- NEW** Fly High or Sink Low: Reward Programs Create Their Reputation (30 minutes)
- Going Beyond Air Travel with Alternative Rewards (45 minutes)
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