



Contact: Jay Sorensen  
For inquiries: 414-961-1939  
Jay @ IdeaworksCompany.com

## **Low Fare Airlines Offer Better Reward Seat Availability While Traditional Carriers Provide Mixed Results**

*The IdeaWorks Company releases results from the 2<sup>nd</sup> annual  
ezRez Reward Seat Availability Survey.*

May 26, 2011, Shorewood, Wisconsin - - Less might mean more to savvy travelers when they compare the generosity of frequent flier programs. Customers of low fare airlines will be pleased by top rankings in the 2<sup>nd</sup> annual **ezRez Reward Seat Availability Survey**. Members in the programs operated by traditional airlines may need to place more value in benefits beyond free travel when choosing a favorite frequent flier program.

Low fare airlines GOL, Southwest Airlines, Air Berlin, and Virgin Australia filled the top four slots in reward survey results for 2011. GOL, which calls itself the largest low cost and low fare carrier in Latin America, topped the rankings with an unmatched level of reward bliss; an astounding *100 percent* of survey queries yielded two or more reward seats. And US-based Southwest Airlines matched its 2010 standing with a survey result of 99.3 percent reward seat availability. The average among the six low fare airlines in the survey was 85.6 percent and is significantly above the 62.9 percent calculated for the other 18 carriers in the survey group.

Consumers realize there is no free lunch. Low fare airlines are generous with reward seats while offering bargain prices. Traditional airlines are seemingly more stingy with rewards but offer other benefits such as entry to airport lounges, upgrades to premium cabins, and access to worldwide flight networks. But survey results also show adding more global partners doesn't equal more reward opportunities. It's true, travelers living in major hubs such as Atlanta, London, and Hong Kong might have little choice beyond joining the hometown program. But many other consumers can weigh reward, accrual, and upgrade features and choose a program on a range of merits.

There's no denying the importance of reward seat availability. The ezRez Reward Seat Availability Survey is based upon 6,720 booking queries made by IdeaWorks at the websites of 24 frequent flier programs during March and early April 2011. Travel dates spanned June through October 2011; with 20 top routes checked to assess reward seat availability. The following table summarizes the results of the 2011 survey.

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<b>Overall Reward Availability</b>				
<b>Ranked High to Low – Seat Availability for June – October, 2011 &amp; 2010</b>				
<b>Rank</b>	<b>% Total Availability</b>	<b>Airline</b>	<b>Program Name</b>	<b>% for 2011 Versus 2010</b>
1	100.0%	GOL	SMILES	New for 2011
2	99.3%	Southwest	Rapid Rewards	No change
3	96.4%	Air Berlin	topbonus	↓2.2 points
4	91.4%	Virgin Australia	Velocity Rewards	↑1.4 points
5	90.7%	Singapore Airlines	KrisFlyer	↑13.6 points
6	85.0%	Lufthansa/SWISS/Austrian	Miles & More	↓0.7 points
7	82.1%	Air Canada	Aeroplan	↓11.5 points
8	79.3%	JetBlue	TrueBlue	New for 2011
9	75.7%	LAN	LANPASS	New for 2011
10	75.0%	Qantas Airways	Frequent Flyer	↑2.1 points
11	71.4%	United Airlines	Mileage Plus	↑2.8 points
12	71.4%	Continental Airlines	OnePass	No change
13	70.7%	Iberia	Iberia Plus	↓5.7 points
14	66.4%	Cathay Pacific	Asia Miles	↓0.7 points
15	65.0%	Air France/KLM	Flying Blue	↑8.6 points
16	64.3%	Alaska Airlines	Mileage Plan	↓10.7 points
17	62.9%	American Airlines	AAdvantage	↑5 points
18	61.4%	British Airways	Executive Club	↓3.6 points
19	52.9%	SAS Scandinavian	EuroBonus	↓11.4 points
20	49.3%	Turkish Airlines	Miles&Smiles	↑14 points
21	47.1%	AirTran Airways	A+ Rewards	↓20.8 points
22	35.7%	Emirates	Skywards	↓0.7 points
23	27.1%	Delta Air Lines	SkyMiles	↑14.2 points
24	25.7%	US Airways	Dividend Miles	↑15 points

*% of Total Availability = Percent of queries that result in outbound and return reward seats  
See "Notes regarding query methodology" at the end of this press release.*

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The “% of Total Availability” represents the frequency of queries which produced one or more available flights for a roundtrip pair of travel dates. A minimum of two seats was required for each outbound and inbound reward reservation query. The 100 percent result for GOL reflects the fact that each of the 280 outbound and return date queries provided a minimum of one flight in each direction with at least two available reward seats. The right hand column compares 2011 results to the Reward Seat Availability Survey conducted by IdeaWorks in 2010.

“Consumers continue to feel the pinch of a difficult economy. More than ever, they expect a tangible reward for their loyalty to an airline,” said John Swanciger, chief commercial officer for ezRez Software. “Rewards of all types, such as air travel, hotel accommodations, and retail merchandise, are the tools airlines use to fill that expectation. Social media has made the frequent flier world less of a mystery and savvy travelers have a better awareness of which airlines truly reward loyalty and frequency of travel.” The company is the sponsor of this survey and provides solutions that encourage airline customers to book hotels, car rental, travel insurance, activities, and vacation packages using frequent flier miles.

The results for 2011 deliver good news and bad news for program members. Four airlines experienced significantly improved results above 2010 levels of reward seat availability (10+ points): Singapore Airlines, Turkish Airlines, Delta Air Lines, and US Airways. Four airlines saw a drop of more than 10 points from 2010: Air Canada, Alaska Airlines, SAS Scandinavian, and AirTran Airways. While AirTran fans may mourn the loss of the airline after the Southwest merger, they will truly appreciate Southwest’s generous approach to reward availability.

The size of the 2011 survey increased to 24 airlines with the addition of GOL, JetBlue, and LAN. Jet Airways was dropped because its traffic no longer places it in the top group. Survey results reflect the availability of “saver rewards” or capacity controlled seats with two exceptions. For Southwest, Anytime or Wanna Get Away rewards priced up to 12,500 points (each way) qualified as reward travel. For JetBlue, rewards priced at 12,500 points (each way) qualified as reward travel. Readers should exercise caution with direct comparisons between 2011 and 2010 results as this survey represents a snapshot of availability taken annually during a single moment in time.

IdeaWorks added a new reward query for 2011 which tested larger US-based carriers for reward travel using a much shorter 5 to 15 day advance booking window. Eighty queries each were made for travel during April 5 – 21, 2011 on American, Delta, United Airlines, and US Airways. The test was done on April 1, 2011 to determine if airlines release reward seats just prior to departure. The results, shown on the next page, confirm rumors within the airline industry and what many travelers already suspect is true; booking later may provide an opportunity.

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<b>Short Advance Booking Test</b>			
<b>Seat Availability for April 5 – 21, 2011 – Captured on April 1, 2011</b>			
<b>% Availability</b>	<b>Airline</b>	<b>Program Name</b>	<b>June – October Availability Survey</b>
65%	United Airlines	Mileage Plus	71.4%
47.5%	American Airlines	AAdvantage	62.9%
42.5%	Delta Air Lines	SkyMiles	27.1%
25%	US Airways	Dividend Miles	25.7%

United and American offered reward availability for this 5 to 15 day booking window that was surprisingly close to queries using the 3 to 7 month booking window. US Airways matched the results from the longer booking window survey. Delta was a surprising standout with a result that was much better than the reward availability found in the main survey. One significant caveat for this test is comparing the travel period of early April to the summer season tested for the June through October travel dates. Short advance booking queries for the summer period would likely provide poor results due to far higher demand levels. But there is an interesting lesson here for spontaneous travelers . . . they might get lucky with a last minute reward booking.

Good fortune seems to be on the side of frequent flier program members for 2011. The economic travails of the airline industry, which include reduced seat capacity, provide abundant incentive for airlines to be less generous with reward seat availability. The results of the survey indicate some airlines have indeed become more careful and stingy. But what is most surprising is how carriers have gently improved the odds of getting a seat in 2011. The overall result among the 24 airlines was 68.6 percent for 2011, which is just a little above the 2010 result of 66.1 percent. Perhaps airlines are cognizant of the need to be more loyal to consumers who have persevered through the ultimate test of a worldwide recession.

**Notes regarding reward query methodology:** *Booking queries for a party of 2 travelers were made at frequent flier program websites during March 2011 with minor follow-up work conducted during the first week of April 2011. For the 2010 report, queries were made during February 2010 and March. Some airlines require a Saturday night stay for reward travel; all of the queries used date pairings that included a Saturday night stay. While the city pairs varied for each frequent flier program, the travel dates did not. Specific dates were selected for queries and only reward seat availability for travel on the date specified was recorded; any departure time was acceptable. Furthermore, reward travel had to be available on the outbound and return dates queried. Overly circuitous routings were not accepted. The top 10 routes longer than 2,500 miles and the top 10 shorter routes were selected for each airline. Due to a lack of long-haul routes, the top 20 overall routes were queried for these airlines: Air Berlin, AirTran, Alaska, GOL, JetBlue, Southwest, and Virgin Australia. When offered, online reward availability for partner airlines was always requested.*

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**About ezRez Software:** ezRez Software, Inc. enables its partners to sell any combination of travel products including air, car, hotel, trip activities, packaging and travel insurance to anyone, anywhere in the world. Its Software-as-a-Service (SaaS) platform allows clients to easily launch online travel agency functionality with the look and feel of a customized implementation at a fraction of the cost. ezRez provides access to more than 200,000 travel suppliers and its clients include some of the world's largest airlines, hotels, travel agencies and banking loyalty programs, such as AirAsia, American Airlines, American Express, Emirates Airline, Intercontinental Hotels, JetBlue, LAN Airlines, Starwood Hotels & Resorts, and United Airlines. Based in San Francisco, ezRez was founded in 2003 and has secured \$17 million in venture funding led by Canaan Partners with participation from Azure Capital Partners. For more information, visit [www.ezrez.com](http://www.ezrez.com).

**About The IdeaWorks Company:** 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](http://IdeaWorksCompany.com).

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