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Airlines Woo Members with Wild, Weird and Wonderful Rewards

IdeaWorks reviews the frequent flier programs associated with 150+ airlines to find the most unique rewards that go far beyond flying.

April 3, 2012, Shorewood, Wisconsin – Consumers expect more from their frequent flier programs and airlines seem to be stepping up to the challenge. Miles and points are now used to book hotel accommodations and car rentals online without the need of paper reward certificates. Airlines are adding personality and options to their reward charts with new categories of merchandise, personal services, and travel package rewards.

Every program delivers the basic reward of free travel when launched. From this simple initial structure springs a growing reward complexity and program maturity. The savviest airlines develop a well conceived reward strategy that supports the personality of the brand and the objectives of the frequent flier program. Through its review of programs worldwide, IdeaWorks offers four examples from the 40 alternative rewards compiled by the report, ranging from the extravagant to everyday comforts:

- The \$3.5 million yacht offered by **Etihad Airways**, with a reward price of nearly 386 million miles, is tops on the list in terms of price.
- At the opposite end of the spectrum is the convenience of using miles to buy an onboard treat. **Icelandair** allows its members to shop on board using miles, where a mere 650 miles will purchase a “happy marriage cake” or when cash is used, 300 Iceland kroner (which equals about \$3).
- **Virgin Atlantic’s** “Flying Without Fear Classes,” priced at 35,000 points, not only sends a message of caring, but it’s good for business too.
- SkyMiles’ 2009 auction for volunteer work at **Delta’s** Habitat for Humanity homebuilding project in Thailand was pure genius because it removed 401,001 miles from its books while creating outstanding goodwill for the airline.

IdeaWorks also analyzed the value per mile associated with 15 mileage-based rewards featured in the report; members on average realize nearly a penny of retail value for every mile redeemed. Values did vary and ranged from a low of \$0.003 per mile for the 45-minute flight on a DC3 offered by Air France KLM to a high of \$0.029 per mile (nearly 3 cents) for Virgin Atlantic’s 7-night Necker Island holiday.

Airlines Woo Members with Wild, Weird and Wonderful Rewards was released today as a free 24-page report sponsored by Switchfly and is available at the IdeaWorks website: www.IdeaworksCompany.com.

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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