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## **Frequent Flier Credit Cards Generate More Than \$4 Billion for Major U.S. Airlines**

*Card issuers, such as American Express, Bank of America, Citi, Chase, and US Bank, are attracted by annual charge volumes estimated to be in excess of \$337 billion.*

August 18, 2008, Shorewood, Wisconsin. Frequent flier programs were launched more than 25 years ago as a tool to identify the highest revenue-producing travelers, establish regular customer communication, and enhance brand loyalty. In today's revenue hungry environment, airline management now places a greater demand on the profit-producing power of these programs. These programs continue to provide meaningful marketing benefits. However, these are now largely secondary to the goal of harvesting millions of dollars in ancillary revenue from frequent flier members.

IdeaWorks estimates the sale of miles generates more than \$4 billion annually for the seven frequent flier programs included in the analysis: Alaska Mileage Plan, American AAdvantage, Continental OnePass, Delta SkyMiles, Northwest WorldPerks, United Mileage Plus, and US Airways Dividend Miles. The following is a sample of the information described in the report:

- The revenue attributed to American's AAdvantage MasterCard could easily equal \$1 billion annually.
- The Delta SkyMiles Credit Card co-brand portfolio accounts for approximately 5 percent of American Express' worldwide billed business.
- The seven frequent flier programs have a combined membership of 255.5 million accounts; the report provides the membership size for each program.
- Airlines don't reveal an average selling price for frequent flier miles. However, Aeroplan (Air Canada's program) reported the average price of a mile was 1.22 Canadian cents during the first quarter of 2008.

**Frequent Flier Credit Cards Generate More Than \$4 Billion for Major U.S. Airlines - A Report from IdeaWorks** was released today as a 6-page Industry Analysis. More information about this free report is available at the website: [IdeaWorksCompany.com](http://IdeaWorksCompany.com).

**About IdeaWorks:** IdeaWorks was founded in 1996 as a consulting organization building revenue through innovation in product, partnership and marketing. Its international client list includes the hotel, airline, marine, railroad, consumer products and health care sectors. The firm is a leading expert on creating ancillary revenue opportunities for airlines. IdeaWorks has worked with airlines on ancillary revenue projects in Europe, the United States, and South America. The consulting firm has helped create frequent flier programs and develop co-branded credit cards in the United States, Europe, and South America.