



Airline Industry Analysis - Press Release

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## **Delta SkyMiles Judged Best Frequent Traveler Program For Shuttle Passengers in the Northeast Corridor**

*IdeaWorks compares the frequent traveler programs available to Delta Shuttle, US Airways Shuttle and Amtrak Acela passengers.*

May 26, 2004, Shorewood, WI—Delta Airlines comes out on top in an analysis of the frequent traveler programs available to passengers on shuttle services in the busy commuting corridor of Boston, New York and Washington, DC. The three programs surveyed were Delta SkyMiles, on The Delta Shuttle by Delta Air Lines; Dividend Miles, on the US Airways Shuttle by US Airways; and Guest Rewards, on Amtrak's high-speed Acela trains. These carriers operate high frequency service, with a minimum of hourly departures, between the three Northeast cities.

Each program was analyzed on the basis of seven categories representing key attributes for shuttle travelers, such as the number of paid shuttle trips required to earn a free ticket, the breadth of award travel options and the recognition given the most frequent travelers ("elite" status).

Within the categories, scores were assigned each frequent traveler program, with the best program receiving the maximum score. The maximum scores vary for each category to reflect the relative importance of the attributes. By design, a perfect score of 100 points would indicate a program that offers the best benefits in each of the seven categories.

The Delta SkyMiles program earned top honors with 79 points. Amtrak's Guest Rewards placed second with a total of 72 points and the US Airways Dividend Miles program placed third with 66 points. Table 1 (see page 3 of this press release) lists the scores assigned in each category.

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“Approximately 5 million passenger trips occur each year in the shuttle markets,” said IdeaWorks president Jay Sorensen. “Our in-depth analysis has determined Delta SkyMiles is the best choice for those traveling in the Boston, New York and Washington shuttle markets. Travelers should also give special consideration to the frequent traveler program and high-speed Acela train service offered by Amtrak.”

Though Delta’s is best overall, each program has distinct merits:

### **Delta SkyMiles**

- Best global selection of carrier-operated award destinations, including Hawaii, Asia and South America—which are not served by US Airways or Amtrak.
- Airline award choices include two major U.S. airlines (Northwest and Continental), Virgin Atlantic Airways and members of the SkyTeam alliance.
- More than 60 participating hotel chains and 8 car rental companies as earning partners—the most among the 3 programs.
- Top tier elite members enjoy free Delta Crown Room membership.
- 25 paid roundtrips are required to earn a free shuttle roundtrip; special reduced mileage awards are not available for shuttle travel.
- The most passenger space between seat rows in coach—but no first class cabin to provide upgrade benefits.

### **Amtrak Guest Rewards**

- Only 15 paid roundtrips are required to earn a free Acela roundtrip—the most generous ratio among the 3 programs; 20 paid roundtrips are required to earn a free roundtrip ticket in Acela first class.
- Points can be converted on a 1:1 ratio into mileage in the Continental, Midwest and United frequent flyer programs.
- Only program offering hotel, restaurant and retail awards such as free Hilton stays, TGI Friday’s and Macy’s gift certificates.
- Extremely limited partner earning opportunities; far fewer airlines, hotel and car rental choices than offered by Delta and US Airways.
- Most departure choices among the shuttles with 120 daily weekday departures, 55 provided by high-speed Acela and Metroliner trains.

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### US Airways Dividend Miles

- Special seasonally-discounted mileage levels, such as a domestic roundtrip for only 20,000 miles (valid for travel September 15 through the end of February).
- 25 paid roundtrips are required to earn a free shuttle roundtrip; special reduced mileage awards are not available for shuttle travel.
- Powerful Star Alliance partnership that includes United Airlines and partner airline coverage for Europe, Asia, Africa and South America.
- Generous upgrade policy for all elite levels and the only first class cabin offered by a shuttle airline.
- 50% mileage bonus for bottom tier elite members; the best offered among the three programs.
- Extreme financial uncertainty over the future of US Airways is an important factor to consider when accumulating miles in the program.

The following table lists the scores assigned in the eight categories for each of the frequent traveler programs and the maximum number of points available in each category:

**Table 1: Program Scoring for each Category**  
(High score in each category appears in **brown bold** font)

Category Description	Delta Air Lines SkyMiles	Amtrak Guest Rewards	US Airways Dividend Miles	Total Possible Score
<b>Basic Awards:</b> awards on shuttle routes and speed-of-earning	9	<b>20</b>	10	20
<b>System Awards:</b> domestic and international awards on the carrier's system	<b>20</b>	6	14	20
<b>Award Partners:</b> redeeming credits with partners such as airlines, hotels and others such as retailers.	13	<b>15</b>	12	15
<b>Earning Partners:</b> opportunities to earn credits through partners such as airlines, hotels and credit cards	<b>15</b>	8	13	15
<b>Elite Status:</b> extra recognition and benefits provided to the most frequent shuttle passengers	8	3	<b>10</b>	10
<b>Shuttle Upgrades:</b> importance, availability and ease of receiving upgrades on shuttle routes	1	<b>5</b>	4	5
<b>Schedule Choices:</b> frequency of shuttle departures on which to earn and redeem credits	3	<b>5</b>	3	5
<b>Future Viability:</b> certainty that program will continue to provide benefits as a result of the future prospects for the carrier	<b>10</b>	<b>10</b>	0	10
<b>Totals:</b>	79	72	66	100

**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 the hotel, airline, marine, railroad, consumer products and health care sectors. IdeaWorks specializes in brand development, customer service improvement, customer research, competitive analysis, creating partner-marketing strategies, cost reduction programs and business restructuring. IdeaWorks brings value as a consultant by researching the expectations of the customer, learning from the wisdom of the client organization and applying innovative ideas to create solutions for clients and consumers.

**Sources for the Program Comparisons:** Information, features and schedules were obtained from the websites associated with the Delta SkyMiles, Amtrak Guest Rewards and US Airways Dividend Miles programs during May 2004. The selection of categories and assignment of scores represents the opinions of the IdeaWorks staff. Publicly available credit rating information for each organization and investment industry commentary were factors in assigning scores for the Future Viability category. The estimate for annual shuttle market passenger trips of 5 million is based upon statistics from Amtrak and the Port Authority of New York & New Jersey.

**Disclosure:** IdeaWorks makes every effort to ensure the quality of the information available in this report. Before relying on the information, readers should obtain any appropriate professional advice relevant to their particular circumstances. IdeaWorks does not have a client relationship with Delta, Amtrak or US Airways. IdeaWorks cannot guarantee, and assumes no legal liability or responsibility for the accuracy, currency or completeness of the information.

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