



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

Premium Class Rewards Provide Best Value for Frequent Flier Members

Value per mile exceeds 5 cents for United's intercontinental first or business class rewards, but the 25,000-mile domestic reward equals 1.4 cents per mile

July 30, 2013, Shorewood, Wisconsin – One of the recurring debates about the booming loyalty marketing industry is whether rewards provide notable value . . . and which rewards are the most valuable. To answer this, IdeaWorksCompany conducted booking research using United's MileagePlus program (largest in the world) to determine which rewards provide members the greatest dollar value. The answer was clear: Booking first class travel to Hawaii, Europe or Asia provides best value for redeeming frequent flier miles.

These reward choices allow members to realize more than four cents per mile, versus a cent or more redeeming US domestic economy class rewards. IdeaWorksCompany completed more than 170 queries at United's website to assess fare values associated with economy, business, and first class reward travel. The results provide a glimpse into the strategy used by United and other carriers that rely on mileage-based reward charts and capacity-controlled rewards:

- Mileage values range from a low of \$0.01 (one cent) for standard rewards on intercontinental routes to a high of \$0.054 (5.4 cents) for business class upgrades on intercontinental routes.
- First class travel to Hawaii, redeeming at the saver reward level, provides great value at \$0.04 per mile.
- Better value is provided to MileagePlus Premier elite members, such as discounts on merchandise rewards which ranged from 29 to 36 percent.

The co-branded cards offered by Chase Card Services, such as the United MileagePlus Explorer card, are a vital component of the carrier's strategy to engage consumers. Members accrue a significant portion of miles through co-branded credit cards. IdeaWorksCompany also compared the value provided by the Explorer card with that of Capital One's Venture card. The Explorer card was found to deliver better value for premium class rewards while the Venture card dominated the results for economy class rewards.

Premium Class Rewards Provide Best Value for Frequent Flier Members was released today as a free 16-page report and is available at the IdeaWorksCompany website: www.IdeaWorksCompany.com. The 2013 Loyalty Marketing Report series is sponsored by Switchfly, a global technology company that powers travel commerce and loyalty redemption solutions for leading travel, financial services and ecommerce brands.

About IdeaWorksCompany: IdeaWorksCompany 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. IdeaWorksCompany specializes in ancillary revenue improvement, brand development, customer research, competitive analysis, frequent flier programs, and on-site executive workshops. Learn more at IdeaWorksCompany.com.

- - end - -