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Iberia Offers Best Transatlantic Online Reward Availability - - American Airlines is Best Among US-Based Carriers

IdeaWorks's extensive research reveals some airlines offer consumers virtually no online availability for US-Europe reward travel.

March 12, 2009, Shorewood, Wisconsin. Consumers are familiar with images of the Eiffel Tower and changing of the guard at Buckingham Palace at airline websites. These icons represent the promise of free travel to top destinations; the results described in a new report from IdeaWorks indicate how often this promise is violated.

The Transatlantic Reward Availability Report answers the question, “Which airlines offer the most online availability for transatlantic reward travel?” IdeaWorks made 6,400 booking queries at the websites of five US-based airlines and five Europe-based airlines during the latter half of January 2009. The same sets of travel dates, which spanned April through November 2009, were used for all queries. The queries were made for the largest passenger-carrying routes of each airline.

The result is a first-ever look into online reward availability differences among ten transatlantic airlines. The percentages reflect the number of times each of the queries produced reward seats on at least one outbound and one return flight on the carriers’ largest transatlantic routes:

Overall Online Booking Success		
Ranking	Airline - Frequent Flier Program	Online Booking Success
1	Iberia - Plus (+partners)	83%
2	Lufthansa SWISS Austrian - Miles & More (+partners)	66%
3	British Airways - Executive Club (+partners)	63%
4	American - AAdvantage	58%
5	Air France KLM - Flying Blue (+partners)	53%
6	Delta Northwest - SkyMiles (+partners)	44%
7	Continental - OnePass (+partners)	36%
8	United - Mileage Plus	18%
9	Scandinavian Airlines - EuroBonus	7%
10	US Airways - Dividend Miles	4%
“+ partners” designates programs that include online reward availability		

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Online reward availability is not an accident; it's a benefit consciously chosen by each airline. Top scoring airlines, such as Iberia in Europe or American Airlines in the USA, make it far easier for frequent flier program members to find reward seats online. Others, such as US Airways and Scandinavian Airlines, make it very difficult for consumers to receive the benefit of free transatlantic reward travel.

Some of the airlines offer a paltry supply of reward seats. By itself, this is not a failure . . . and contrary to mileage junky blog sites, it does not represent a mortal sin. However, these airlines have failed to satisfy a promise made to consumers, and are guilty of not meeting member expectations. It all begins by defining a brand for your frequent flier program.

Some frequent flier programs only display the reward seats flown by an airline and its feeder carriers at the booking website. Members seeking reward travel on transatlantic partners can't view rewards online and must call the reservation center to inquire about availability. However, most carriers in the analysis now include transatlantic partners in the online display of reward seats. This distinction is displayed in the table by the "+ partners" designation that follows the name of the airline.

Exclusion of partners is a meaningful factor if consumer convenience and clarity of the booking process are important. Frequent flier members prefer the self-service of an online booking engine. Calling a reservation agent, even for that precious last seat to Paris, is a time-consuming hassle. Consumers often endure additional calls as they hang up to discuss the list of possible dates with their travel companion. And pity the poor consumer who finally gets approval from the boss for time away and calls the airline only to hear these sad words . . . "I'm sorry, but those seats are no longer available."

American's AAdvantage program offered reward seats for 58% of the queries made during the online research process. That's an amazing accomplishment, as the result does not include the benefit of tapping into reward seats offered by American's program partners. Iberia achieved the highest result by offering reward seats for 83% of the queries made. This member-friendly statistic includes the online reward seats provided by Iberia's partner airlines in the oneworld alliance. In general, oneworld partners seem to offer more reward seats.

It would appear the inclusion of reward partners improves the chances of online booking success. Intuition suggests lower scoring airlines, such as US Airways, Scandinavian Airlines, and United Airlines, may produce higher scores if these carriers included transatlantic partners in the online display of availability. Perhaps these carriers could achieve scores similar to Delta Air Lines and Lufthansa Airlines after the inclusion of reward seats now offered "offline" by telephone calls to reservation centers.

However, the result produced by American's AAdvantage program may suggest the issue of reward availability is more linked to revenue management than the question of "partners or no partners." American Airlines offered the best online transatlantic reward availability of any US-based airline without the benefit of partner inclusion. This corresponds to the results from a 2008 report issued by IdeaWorks in which American was a top scoring carrier for US domestic reward availability.

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The following is a sampling of the information and results described in **The Transatlantic Reward Availability Report** from the IdeaWorks Company:

- Results may vary greatly among members of the same airline alliance. For example, members of the Star Alliance appeared at the bottom and near the top of online booking results.
- Iberia was very generous with reward seats during off-peak months. The carrier scored an impressive 90% for online reward queries for travel during April-May and September-November. Lufthansa Airlines came in second place with seats provided for 81% of the off-peak reward queries.
- Equally amazing was the skinny end of the online reward availability spectrum and the complete absence of booking success on US Airways, Scandinavian Airlines, and United Airlines. These carriers scored zero for members wishing to take a family of four “across the pond” during June, July and August.
- US Airways disclosed in its annual report that only 10% of systemwide reward activity is expected to occur on partner airlines.

The 53-page report offers the following additional features:

- 18 pages of research analysis and commentary on how airlines manage reward seats and the logistical influences on reward availability.
- Airline rankings for these travel categories: 1) Family Summer Reward Travel, 2) Top Reward Airport Pairs, 3) Smaller Market Travel, and 4) Non-Summer Reward Travel.
- Complete statistical analysis for each of the ten airlines; the report contains 42 data tables and 15 graphs.
- Peak and off-peak trend analysis for each carrier.
- Matrix displaying the results of the 640 booking queries made at each website.

The Transatlantic Reward Availability Report may be ordered directly from IdeaWorks at an early bird price of US\$2,250 per copy for orders received by April 15, 2009. The regular price (for orders starting on April 16) is US\$2,550. The report is now available for delivery.

Please contact Jay Sorensen by email **Jay @ IdeaWorksCompany.com**, or direct by calling **414-961-1939** to order the report and for more information.

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 airline, hotel, marine, railroad, and consumer product industries. 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 developed co-branded credit cards in the USA, Europe, and South America.