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Delta, Alaska Airlines, and Aeroplan Create Solutions for the Reward Availability Problem

Innovation and accountability are key factors in addressing an issue that many consumers complain about and many airline executives prefer to ignore.

October 14, 2009, Shorewood, Wisconsin -- Progressive management teams at Delta Air Lines, Alaska Airlines, and Aeroplan are using innovative methods to make frequent flier programs more attractive to consumers and investors. These companies realize solutions must be implemented to mitigate the effect of capacity cuts on reward travel. Rather than wait for frustrated frequent fliers to stop using co-branded credit cards, these airlines are making changes to ensure frequent flier programs continue to deliver big revenue from the sale of miles and points to partners.

IdeaWorks analyzed the methods used by these companies to boost reward availability and reduce mileage liability. The following is a sampling of observations from the analysis:

- 2008 reward trip activity for Alaska Airlines increased by 39.5 percent from 2006 levels after the carrier implemented one-way rewards.
- Delta's Pay with Miles feature for its SkyMiles frequent flier program breaks through the capacity control barrier for members, while delivering a good profit margin on the sale of miles to partners.
- Air Canada spent CAD\$248 million (about CAD\$0.012 per mile) during 2008 on the purchase of miles from Aeroplan, the standalone loyalty program spun off from the airline in 2005.

Delta, Alaska Airlines, and Aeroplan Create Solutions for the Reward Availability Problem was released today as a 12-page industry analysis. The full report is available at the IdeaWorks web site: www.IdeaworksCompany.com/news.

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 ancillary revenue improvement, brand development, customer research, competitive analysis, creating partner-marketing strategies, cost reduction programs and business restructuring. Learn more at IdeaWorksCompany.com.

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