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## **Frequent Flier Mileage Values for Major Airlines such as American, Continental, Delta and United Have Dropped 33% Since 1994**

*Airlines would be required to drop their standard 25,000 mile reward level to 17,000 miles to recover the mileage value offered in 1994.*

February 16, 2005, Shorewood, WI. The buying power of frequent flier miles, as measured by the number of miles required to buy a reward ticket for U.S. domestic travel, has dramatically decreased since 1994. Falling air travel prices and reward level increases are major contributing factors to the drop in the value of a frequent flier mile:

- In 1994, when the prevailing U.S. reward level was 20,000 miles, the typical frequent flier mile would purchase **2.1 cents** of reward travel.
- During 1995 most airlines raised their domestic U.S. reward level to 25,000 miles and the value of a frequent flier mile dropped by nearly 18% to **1.7 cents**.
- Since 2001, falling domestic airfares have brought the value of a frequent flier mile down to **1.4 cents** in 2004 - - its lowest level since 1994.

Members of the programs operated by American, Continental, Delta, Northwest and United have experienced the largest drop in mileage buying power due to the continuation of the 25,000 mile standard reward level - - even in today's environment of deeply discounted fares.

These findings are based upon a review of the buying power of frequent flier miles in the U.S. airline industry by the IdeaWorks Company, and include a comparison of the top ten programs in the United States. **The Fall of Frequent Flier Mileage Values in the U.S. Market - Industry Analysis from IdeaWorks** was released today as a 5-page Industry Analysis. The report is available at the IdeaWorks web site: <http://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 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.

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