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IdeaWorks Issues Report on Frequent Flier Partnerships for the World's Top 20 Low Fare Carriers

Condor, Jetstar, Song and Ted enjoy significant partner advantages from the frequent flier programs operated by their major airline affiliates.

August 22, 2005, Shorewood, Wisconsin, USA. IdeaWorks recently completed analysis on the frequent flier programs offered by the world's top 20 low fare airlines. These programs are becoming an important component of the low fare airline environment. What was once seen as an extravagance is now considered an effective tool to capture market share and generate incremental revenues. In this realm, robust partner activities can generate millions of dollars of ancillary revenues through the sale of miles to a diverse array of partners.

The Industry Analysis describes activities in the following partner categories: airline alliances, hotels, rent-a-car, personal finance, communications, retailers and credit cards. The final portion of the report provides additional details and real world examples on the economics and financial benefits of partner relationships. Here is a sampling of the observations:

- North American-based low fare airlines dominate the group with 77% of passengers.
- The low fare affiliates of Delta, Lufthansa, Qantas and United benefit from major frequent flier program relationships offering vast networks of 136 to 156 partners.
- Hertz dominates the low fare category through its participation in 11 frequent flier programs; Hyatt, InterContinental and Marriott are the dominant hotel brands.
- Co-branded credit cards contribute millions of dollars in revenues; the Frontier MasterCard provided over US\$12 million during the airline's most recent fiscal year.

“The IdeaWorks Report on Frequent Flier Partnerships for the World's Top 20 Low Fare Carriers” was released today as a 15-page Industry Analysis. IdeaWorks president Jay Sorensen will present findings from the report at the World Low Cost Airlines Congress 2005 to be held September 14-16, 2005 in Amsterdam, The Netherlands. The full Industry Analysis 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, profit improvement, 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. Learn more by visiting: IdeaWorksCompany.com

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