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Stormy Weather: Frequent Flier Executives Are Concerned About Reward Availability and Other Consumer Issues

In a recent survey of frequent flier program management, 66% recognize seat availability is "too limited" at the lowest reward level.

February 28, 2007, Vancouver, Canada. Representatives from more than 70 frequent flier programs have gathered in Vancouver Canada for the third annual FFP Conference. The event is the world's largest gathering of frequent flier program executives and provides a unique opportunity to measure the pulse of the loyalty marketing industry. IdeaWorks, in cooperation with conference organizer Airline Information, distributed a survey during February 2007 to more than 100 registered conference attendees.

The survey results demonstrate an almost painful level of awareness of consumer resentment over reward availability issues. Here is a sampling of the observations from the analysis:

- 67% of program executives recognized that consumers are frustrated by the lack of basic reward availability for the entire airline industry.
- Nearly 60% of survey respondents anticipate some level of increased reward availability for 2007.
- 42% of program executives indicate top management now rates the ancillary revenues generated by frequent flier programs as the benefit of greatest importance.

"Stormy Weather: Frequent Flier Executives Are Concerned About Reward Availability and Other Consumer Issues" was released today as a 9-page Industry Analysis. The full Industry Analysis is available at the IdeaWorks web site: <u>http://www.ideaworkscompany.com/news/</u>. This Industry Analysis was sponsored in part by Airline Information, which is the organizer of the FFP Conference for 2007.

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. Learn more at <u>IdeaWorksCompany.com</u>.

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