



LOYALTY MARKETING REPORT SERIES FOR 2015

Airlines Woo Members with Wild, Weird and Wonderful Rewards

From marriage proposals to magic scarves,
savvy airlines intrigue customers with mileage rewards
that go far beyond flying

Researched and written by Jay Sorensen
Edited by Eric Lucas



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with mileage rewards that go far beyond flying.*

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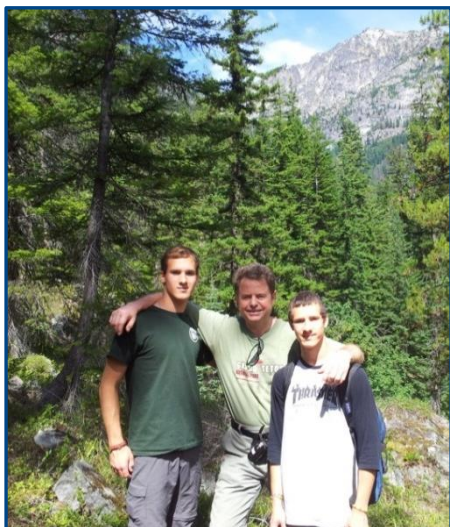
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About Jay Sorensen, Writer of the Report



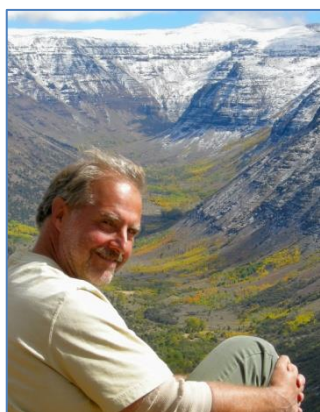
Jay, with sons Anton and Aleksei, on the North Fork Trail in North Cascades National Park in Washington.

Jay Sorensen's research and reports have made him a leading authority on frequent flier programs and the ancillary revenue movement. He is a regular keynote speaker at the annual MEGA Event, spoke at IATA Passenger Services Symposiums in Abu Dhabi and Singapore, and has testified to the US Congress on ancillary revenue issues. His published works are relied upon by airline executives throughout the world and include first-ever guides on the topics of ancillary revenue and loyalty marketing. He was acknowledged by his peers when he received the Airline Industry Achievement Award at the MEGA Event in 2011.

Mr. Sorensen is a veteran management professional with 30 years experience in product, partnership, and marketing development. As president of the IdeaWorksCompany consulting firm, he has enhanced the generation of airline revenue, started loyalty

programs and co-branded credit cards, developed products in the service sector, and helped start airlines and other travel companies. His career includes 13 years at Midwest Airlines where he was responsible for marketing, sales, customer service, product development, operations, planning, financial analysis and budgeting. His favorite activities are hiking, exploring and camping in US national parks with his family.

About Eric Lucas, Editor of the Report



Eric Lucas is an international travel, natural history and business writer and editor whose work appears in Michelin travel guides, *Alaska Airlines Magazine*, *Westways Magazine* and numerous other publications. Founding editor of *Midwest Airlines Magazine*, he is the author of eight books, including the 2013 *Michelin Alaska* guide. Eric has followed and written about the travel industry for more than 20 years. He lives in Seattle, Washington, where he grows and sells organic garlic; visit him online at www.TrailNot4Sissies.com.

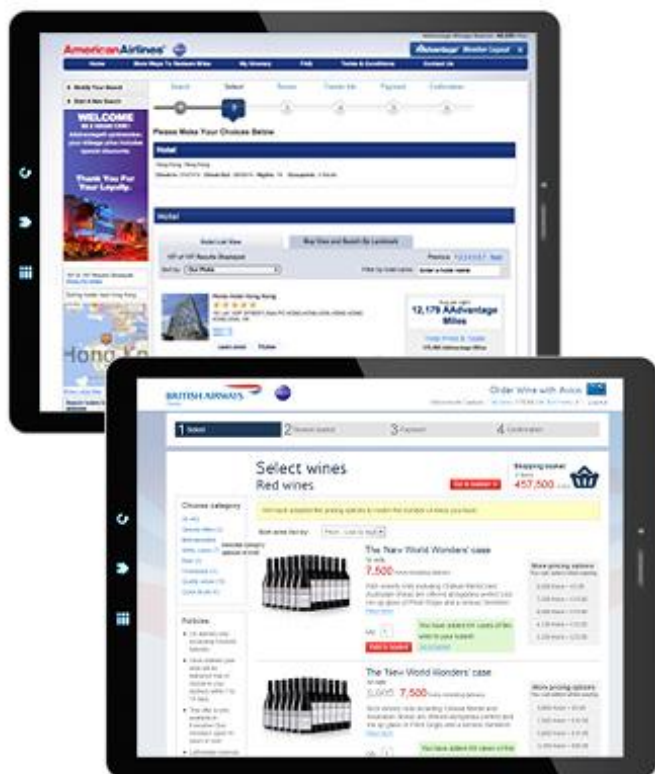
Eric, at his favorite summer retreat, Steens Mountain, Oregon.



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Airlines Woo Members with Wild, Weird and Wonderful Rewards

It has become an accepted feature for frequent flier programs to offer rewards beyond airline seats and upgrades. Many years ago a few airlines copied the pioneering efforts of guest loyalty programs by offering merchandise rewards. Airlines now use alternative rewards, such as hotel stays, car rentals, and retail goods, to compete with other airlines, co-branded credit cards, and to reduce reward liability through redemption.

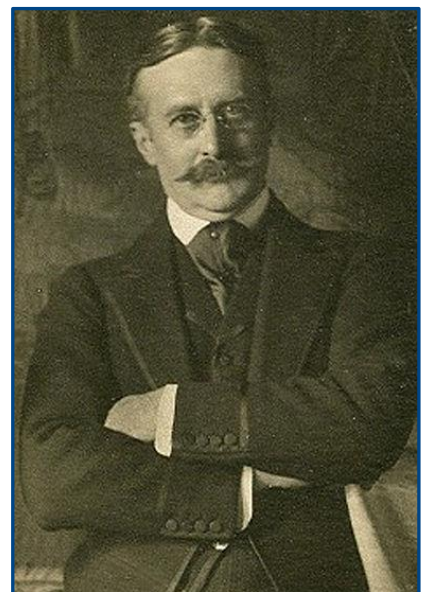
IdeaWorksCompany recently reviewed the websites of 220 airlines around the world to gather examples of wild, weird, and wonderful rewards. Among these airlines, 160 were found to offer frequent flier benefits. It may surprise some that 27 percent of these airlines don't offer frequent flier benefits. It's true, many are small operators, but there are major players on the list too: Allegiant Air, easyJet, Lionair, Spicejet, Ryanair, and Tigerair.

This report focuses on the 73 percent of airlines that do offer frequent flier benefits. Specifically, it will review 25 of the more unusual and innovative rewards identified during our global search. But stocking the shelves of an online store with the widest array of goods shouldn't be the only objective. A successful retail strategy requires building a store that engages members by encouraging them to accrue and redeem miles or points.

Shopping, seduction, and reward redemption

The heading borrows from the title of the recent biography *Shopping, Seduction & Mr. Selfridge* by Lindy Woodhead on the topic of London's world class retailer from the early 1900s. Selfridges & Co. continues to flourish today at its original Oxford Street location. The longevity of this business indicates there is much we can learn from the style and methods of Harry Gordon Selfridge.

The airline industry continues to struggle with the concept and practice of retailing. Airline sites have become good destinations for those who have decided to buy the goods of a particular airline. But for consumers who are just browsing, today's airline industry offers little promise for emotional engagement with an airline and its frequent flier program. While it's perfectly fine for airlines to behave like Aldi or Walmart, they shouldn't be disappointed when shoppers are only kept loyal by the promise of cheap fares.



Local boy does well - Harry was from Ripon, a small town in Wisconsin.


Frequent flier programs were designed to offer something beyond the allure of cheap, by engaging customers in a deeper relationship. Harry Selfridge was a master of this: *“The whole art of merchandising consists of appealing to the imagination. Once the imagination is moved, the hand goes automatically to the purse.”*¹ He knew the customer wanted to be engaged in an experience that was almost theatrical in its delivery. Marketers of today would call this branding, and it’s an attribute that eludes airlines and frequent flier programs all over the globe.

More is not always better. All Nippon Airways has used the reward shop design displayed below for many years. Multiple offers compete for member attention in the same manner as the multitude of shops stacked along a Tokyo street market. It’s obvious what has happened here, with the bits and pieces being added over time. The result is a labyrinth of rewards that undoubtedly confuse and bewilder the majority of Mileage Club members.

Other Awards


[ANA Value Vouchers](#)

You can use 10,000 miles as the payment for a 10,000 yen value coupon and 12,000 miles for a 15,000 Yen value coupon when buying ANA Japan Domestic and International Flight Tickets or shopping at ANA FESTA (airport shops), etc.
[Request ANA Value Vouchers](#)




[ANA Mile Vacation\(Tour Awards\)](#)

12,000 miles can be exchanged for ¥15,000 to use on ANA Sales domestic Japan and international tours.
[Apply for ANA Vacation Tours](#)
*You will move to Japanese site.




[ANA Shopping Point Awards](#)

You can redeem 10,000 miles for 10,000 ANA Shopping Points that can be used to shop at A-style, the ANA Shopping.
[Apply for ANA Shopping Point Awards](#)
*You will move to Japanese site.




[Partner Awards](#)

10,000 miles can be exchanged ¥10,000 of Edy, or for affiliated partner points including Rakuten Super Points and T-points.




[Contribution](#)

You can redeem miles for contribution.




[ANA SKY COIN](#)

ANA SKY COIN can be used with 12,000 miles for ¥15,000 towards the purchase of ANA domestic / international flight tickets from ANA SKY WEB and ANA SKY MOBILE. Can be used in units of ¥10 (10 coins = ¥10).
[Request ANA SKY COIN](#)




[ANA Selection Awards](#)

*You will move to Japanese site.
You can redeem miles for ANA recommended items starting at 10,000 miles.
[Apply for ANA Selection Awards](#)
*You will move to Japanese site.




[3000miles Shopping Awards](#)

Redeem 1 mile for 1 yen worth of Shopping Awards that can be used for "ANA Shopping A-style", up to 3,000 miles.
*You will move to Japanese site.




[Coupon Awards](#)

Starting from 3,000miles, mileage can be redeemed for various types of coupons (tickets) that can be used with our affiliated partners or for special limited-time offers.



[Extra Baggage Allowance Redemption with Miles \(ANA International Flights\)](#)

You can redeem miles for Extra Baggage Allowance Redemption (ANA International Flights).



ANA’s frequent flier program includes a bewildering array of reward choices called Value Vouchers, Sky Coins, Selection Awards, Shopping Point Awards, Coupon Awards, Partner Awards, and 3000 Mile Shopping Awards.

The array of rewards is laid down in the manner of a mad retailer who began with a hardware store, added a women’s wear section, and then fine wines. The reward side of a frequent flier program is created in layers. Reward flights and upgrades always represent the first items offered. Hotel stays and car rentals are an easy and intelligent way to provide a more complete travel offer. This helps the airline compete with OTAs such as Expedia and travel companies with High Street storefronts. Everything beyond the must-have rewards of “air, hotel, and car” represent the window dressing that has the capability to create the style and panache that Harry Selfridge sought for his emporium.

¹ *Shopping, Seduction & Mr. Selfridge* by Lindy Woodhead, 2013, Random House

Alternative rewards create personality and define brand

Walmart, Aldi, Carrefour, and Big W (Australia) attract millions of shoppers based upon the giant selection and low prices achieved through large scale operations. There's nothing inherently wrong with these tactics; these are successful and established companies. However, the loyalty of their customers is essentially determined by the promise of low prices. In much the same manner, Ryanair, Spirit, and AirAsia clearly have a similar position in the airline industry. While low cost carriers sometimes do operate frequent flier programs, this is never the focus of their marketing message. But for many airlines, a frequent flier program is a must-have feature and especially useful for attracting business travelers.

After achieving the troika of air, hotel, and car rewards, the next step of evolution is the addition of alternative rewards. These are – by definition – distinct from regular plain old airline rewards. Beyond the benefit of reducing reward liability, alternative rewards can encourage members to interact more frequently and deeply with the program. In addition, a thoughtful selection of rewards can create a personality for the frequent flier program and ultimately the airline. It's the selection process that counts. Does the program wish to be playful, luxurious, or socially aware? IdeaWorksCompany catalogued the 25 wild, weird, and wonderful rewards in six categories that can be used to define a program's brand:

- **Rewards from the Airline.** This can be a very cost effective reward style because these services are already provided by the airline. Often it's simply a matter of permitting the transaction process to accept miles or points in addition to cash. For example, Pegasus Airlines freely allows members to redeem points for departure taxes, baggage, and pre-order meals. For other rewards, an existing corporate asset, such as a flight simulator or maintenance facility, can be utilized to offer members an experience not available to the general public. Japan Airlines created a museum to tell its corporate story which undoubtedly makes a lasting impression on all who visit. When the concern exists that public access will be overwhelming . . . the problem can be easily solved by limiting access to members having elite status.
- **Fun Treats & Little Luxuries.** Mileage and point prices for this category should be priced below the most popular flight reward. For example, in the US this is the 25,000-mile economy class domestic reward. These items induce regular program engagement due to modest price points and the inherent allure of the reward. It's said the best gift provides a splurge you would never buy for yourself. This could apply to the dining reward by All Nippon Airways which features a 4-course meal in the Lexus experience store in Tokyo. More airlines allow members to redeem miles and points for sporting and entertainment events, such as the *Mamma Mia!* tickets offered by United. The most unusual reward in this entire report is El Al's Inflight Marriage Proposal Kit, which is designed to create a memorable and happy moment . . . and perhaps a lifetime of wedded bliss.



This \$5 latte has become a fun treat and little luxury that keeps millions returning to Starbucks stores every day – that same objective can apply to FFPs.

- **Member auctions & raffles.** TAP Portugal is a good role model to follow as the airline adds the element of Facebook to its auction events. A review of bidding activity revealed lower value items involving close-to-home redemption generated the most bids. High value items, especially those requiring long-distance travel, seemed to generate the thinnest bid activity. Auctions need not be big all-inclusive packages that require substantial staff support. These items can involve program partners, such as hotel chains and car rental companies. When done right, the partner is happy with the additional exposure and as a result, the cost to the airline for the reward item is sometimes zero. These benefits must be balanced against the allocation of valuable staff time spent chasing donations for every item. It is probably better to simply set a budget and spend cash to buy the less significant package components.

Raffles are a fascinating reward alternative which has been very successful for Etihad. Many millions of miles are redeemed by members for these raffles. There are legal issues to be navigated, but the payoff is a reliable stream of mileage or point redemptions for every raffle package promoted to the membership.

- **Unique travel experiences.** Travel is the golden elixir of the airline industry and has a crucial place on frequent flier reward charts. There is literally a world of tours, admissions, and packages available to airlines in this category. Program members with big balances might redeem a pile of miles or points to create their own all-inclusive package of air, hotel, car, and sightseeing tours. Take a look at Viator.com to browse their buffet of tours. Those who have fewer miles or points might book tickets and accommodations at the airline site and add the frill of a destination-oriented sightseeing tour. Best of all, these consumers are introduced to booking unique travel experiences at the carrier's website rather than someplace else.
- **Social responsibility.** This is likely the most powerful category because it influences the ethical perception of a brand. Imagine members redeeming miles or points to not directly benefit themselves, but to benefit a charity or cause nominated by the airline. Airlines are advised to not be frugal here . . . if the good works performed by the member require travel, the inclusion of tickets should be seriously considered.
- **Linked to the carrier's brand.** This is a fun category for marketers, because it is only limited by the imagination of management. For carriers that spend big money on sponsorships, there are natural alignments here. Emirates does a world class job of linking its frequent flier program to the many European football teams it sponsors in Europe. Meanwhile, Qatar has placed itself on the luxury end of the branding spectrum and has wisely opened a 2-story galleria at its hub city of Doha. Nothing defines luxury better than a professionally designed store stuffed with high-end goods. Carriers can look into the souls of their brands to determine which themes can be tapped for alternative rewards.

The following pages describe the wild, weird, and wonderful rewards found by IdeaWorksCompany during its review of frequent flier programs all over the world. Each provides an example of a reward that can appeal to the imagination of members and seduce them into a loyalty marketing relationship.

Rewards from the airline

Japan Airlines – JAL Mileage Bank

Reward: Sky Museum Experience with Keepsake

Price: 2,000 miles

Item Description –

Not every airline has a company museum, but perhaps more should. The Sky Museum operated by Japan Airlines offers 100-minute tours which include



exhibits, educational class time, and a tour of a working maintenance hangar. Pictured to the right is the historical display of flight attendant uniforms. Visitors may experience premier seating such as lie-flat beds and suites. Tickets are free of charge and must be booked online in advance. JAL Mileage Bank members may redeem 2,000 miles for a keychain made from the same leather used for the seats found in its first class suites (see image at left). Tours are only offered in Japanese.



EVA Air – Infinity MileageLands

Reward: Flight Simulator Experience

Price: 100,000 miles (value is priceless – not available for sale)

Item Description –

Every airline has access to flight simulators, and many large carriers operate their own facilities. EVA Air provides FFP members access to a full flight simulator and trainer for a 90 minute session. Perhaps to restrict availability, this reward is only available to members (over age 15) with diamond or gold status in the Infinity MileageLands program. The attractiveness of this bare bones reward – which is very pricey – could be improved with the addition of a scale model aircraft and EVA Air clothing items as extra delights for aviation enthusiasts.



EVA uses the Link Reality Seven Simulator by L-3 Link Simulation & Training.

Icelandair – Saga Club

Reward: Inflight Fleece Blanket

Price: 2,000 points (€8 value)

Item Description –

No airline does a better job of affiliating their brand with their homeland than Icelandair. The airline product is liberally sprinkled with references to Iceland, volcanoes, and Nordic culture. “Missing the hot springs? Warm yourself with this instead,” is the message embroidered on the fleece blanket stocked at every seat. Saga Club members may use points to purchase onboard refreshments, duty free, and take the blanket home by showing their member card.



Royal Air Maroc – Safar Flyer

Reward: Unaccompanied Minor Service

Price: 4,000 miles (€50 value)

Item Description –

Every a la carte service can also be offered as a reward item. Royal Air Maroc allows members of its Safar Flyer program to redeem 4,000 miles for regular unaccompanied minor service; the price is 7,500 when a stopover is involved.

Sorensen kids doing their best to pose as well behaved minors during a 2011 family trip.



Korean Air – Skypass

Reward: KAL Limousine Bus

Price: 1,000 to 2,000 miles (KRW 7,500 to 16,000 value)

Item Description –

Many airlines operate motorcoach services between their hub airports and city center destinations. Korean Air offers online redemption of miles for tickets on scheduled motorcoach routes linking Incheon Airport, Gimpo Airport, and 7 city center locations.



Fun treats and little luxuries

El Al – Matmid Club

Reward: Inflight Marriage Proposal Kit

Price: \$60 plus 120 points (\$99 value)

Item Description –

This item perfectly aligns with the “wild, weird, and wonderful” theme of this report. Yes, El Al will help would-be grooms join the joyful bonds of matrimony. After the big question has been popped on the flight specified by the member, a flight attendant will deliver a bottle of wine, elegant glasses, and premium chocolates to the now-blissful couple. And just for good measure, the airline adds a 20% discount for duty free purchases made during the flight. The reward includes an official certificate from the El Al family of employees to recognize the event. Mazel tov!



airbaltic – PINS

Reward: Gamepoints at PointsPlay.com

Price: 1,667 PINS for 1,000 credits

Item Description –

Members may redeem PINS currency at PointsPlay.com for gamepoints which are used for online casino, sport, puzzle, and arcade games. PINS can be accrued as a bonus when players spend cash to purchase gamepoints.



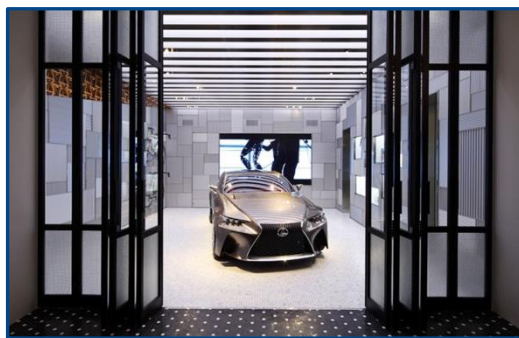
ANA All Nippon – Mileage Club

Reward: Lexus Intersect Dinner for 2

Price: 15,000 miles (\$125 value)

Item Description –

Dine among the cars. Lexus opened its first Intersect experience store in Tokyo with more planned for Dubai and New York City. Fans of the brand can browse the latest models in the “Garage,” view Lexus-inspired exhibits, and dine in the Café or Bistro. ANA has teamed up with Lexus to offer Mileage Club members an all-inclusive evening at 15,000 miles for 2 persons. Diners will enjoy a 4-course meal in the stylish fine dining restaurant, which includes a bottle of Champagne.



Frontier Airlines – EarlyReturns

Reward: Denver Zoo Annual Family Membership

Price: 11,000 miles (\$130 value)

Item Description –

Denver is Frontier’s hometown and partnering with its world class zoo is a natural choice to strengthen local support and provide a fun reward option for families. EarlyReturns members may redeem miles for zoo membership packages and admission tickets. The annual family membership plan provides unlimited admission for two adults and their children through age 18.



United Airlines – MileagePlus

Reward: *Mamma Mia!* Ticket – New York City

Price: 16,900 miles (\$100 value)

Item Description –

MileagePlus Headliners allows program members to redeem miles for sporting event, concert, and theater event tickets. Members may buy tickets via ScoreBig.com and accrue miles or redeem miles for NHL and NBA games, Broadway shows, local college teams, and family shows such as Disney’s *Beauty and the Beast*. For example, an orchestra section ticket for a March 2015 performance of the musical *Mamma Mia!* at the Broadhurst Theatre in New York City is priced at 16,900 miles (33,800 for two). The ScoreBig.com website allows members to easily switch between mileage accrual and redemption options.

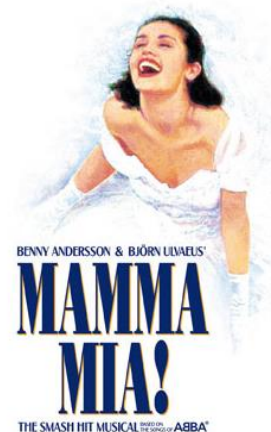


Image: ScoreBig.com

Virgin Australia – Velocity

Reward: *How to Land a Jumbo Jet* Book

Price: 4,000 points (\$15 value)

Item Description –

From Lonely Planet, a leading travel guide, comes this whimsical book about the facts and figures of the world of travel. And yes, the book does offer 9 steps for the landing of a jumbo . . . starting with leveling the plane and ending with activation of the thrust reversers.

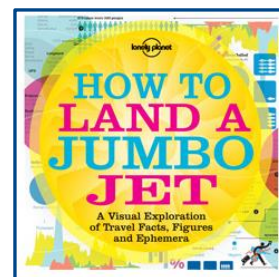


Image: Velocity Rewards Store

Member auctions and raffles

TAP Portugal – Victoria

Reward: Mileage Auctions at Facebook

Price: 3,750 to 220,000 miles

Item Description –

TAP held 19 mileage auctions at its Facebook page during 2014. Auction rewards included cruises, hotel stays, and outdoor concert tickets. The top bid



Image: TAP Portugal Facebook page.

was 220,000 miles for a 4-night cruise, with roundtrip tickets on TAP. The lowest bid was 3,750 for a pair of tickets to the MEO Sudoeste outdoor concert.

During 2014 TAP removed more than 1.2 million miles from its balance sheet through the Facebook auctions. Bidding periods are short and typically range from 30 to 60 minutes with an average of 142 bids per auction item. Lower-priced experiences within Portugal generated the most bidder activity. However, a 2 night stay at London's Regency Hotel with tickets from Lisbon drew the most activity with 384 bids.

American – AAdvantage

Reward: Mileage Auctions

Price: 131,000 to 490,000 miles

Item Description –

American's auction activity dropped to a single event during 2014. The Justin Timberlake live in New York package for two produced a high bid of 421,000 miles. The package was all-inclusive with tickets from a US airport, hotel accommodations, transfers, meals, and a \$600 prepaid MasterCard. Bidding was limited to AAdvantage MasterCard cardholders.



Image: American Airlines website.

Auction activity during 2013 was far more prevalent with 8 past auctions listed at the AAdvantage Auction website. The last ten auctions offered by American removed 3.2 million miles of liability with an average of 45 bids per event. Auction length is much longer than TAP and ranges from 11 to 24 days. Auction rewards feature unique experiences such as music awards, golf and ski events, and Broadway entertainment.

Etihad Airways – Etihad Guest

Reward: Raffle Ticket for Etihad Airways Abu Dhabi Grand Prix package for 2

Price: 100 miles per ticket (prize also sells for \$3,000 plus value of business class tickets)

Item Description –

The Etihad Airways Abu Dhabi Grand Prix is a regular prize item for Etihad Guest member raffles. Other merchandise and unique experiences examples include an Apple MacBook Air, Samsung Galaxy Note 4, flight simulator experience, and Manchester City football packages. The airline held 20 raffles during 2014. The winner of the Grand Prix package enjoyed a luxurious experience in Abu Dhabi with these inclusions: 4 nights at the St. Regis Resort Abu Dhabi, Paddock Club access with VIP seating, and roundtrip business class tickets from anywhere on the Etihad network. The latter is a smart inclusion because it adds tremendous prize value (at little cash cost to the airline) and truly makes it an Etihad package.



Etihad branding everywhere makes the Abu Dhabi Grand Prix the perfect raffle prize for Etihad Guest.

Image: Yas Marina Circuit, Abu Dhabi, UAE

Unique travel experiences

Cathay Pacific – Asia Miles

Reward: Made in Hong Kong Tour

Price: 15,000 miles (\$110 value)

Item Description –

There is no better way to be introduced to Hong Kong than to visit what makes it famous. Asia Miles offers a “Visiting Hong Kong” reward category providing admission to local attractions, such as Disneyland, and tours that focus on local culture and identity. It’s a rare example of an airline that uses frequent flier rewards to connect its brand with a home market and hub city. The Hand Made in Hong Kong tour has an 8-hour duration and begins with a hotel lobby pick-up. The tour takes visitors to meet master craftspeople of the city’s fading handiworks trades. Tour highlights include visits to a suit tailor, shoemaker, and wood engraver. A traditional working person’s lunch is included, as is a stop at the Ladies Market with more than 100 shopping stalls.



Image: HS Travel International Co. Ltd.

Avianca – LifeMiles

Reward: Pizza Walking Tour of Manhattan

Price: 5,803 miles (\$45 value)

Item Description –

Nothing defines New York City better than pizza. Enjoy slices of pizza from three local pizzerias and learn a little history while walking through historic Manhattan neighborhoods such as Little Italy, Greenwich Village, SoHo and the Lower East Side.



Image: Viator.com

Qantas – Frequent Flyer

Reward: Beijing Private Sidecar Tour & Gourmet Lunch

Price: 35,500 points (\$199 value)

Item Description –

This private tour begins with a hotel pickup at 10 a.m. The English speaking guide and motorcycle driver narrates a tour that is part gourmet adventure and part sightseeing tour. Travelers will find themselves sipping sparkling wine along the wall of the Forbidden City and later dining within the halls of a 600-year-old former Buddhist temple complex. Temple Cizi is the setting for an amazing 3-course gourmet lunch amid the remnants of ancient halls of worship and slogans left over from the Cultural Revolution. The places visited during the ride include the old Qian Men Gate and the New National Opera House.



Image: MrAristotle.com, the unique experience company.

Social responsibility

Hainan Airlines – Fortune Wings Club

Reward: Send Love Home – Program to Benefit Students

Price: Donation of kilometers

Item Description –

Fortune Wings Club members may donate kilometers to charities. The “send love home” program provides tickets for low income students to travel home during the Spring Festival. An interesting feature of this program is the online display of donor first names alongside the quantity of kilometers donated.



Qantas – Frequent Flyer

Reward: Earthwatch - Conserving Koala Country

Price: 536,500 points per person (\$2,300 value)

Item Description –

Australia’s iconic Koalas are the perfect candidate for a volunteer trip that helps protect habitat, gathers habitat data, and raise awareness for a species under threat. Participants spend 10 days in Great Otway National Park in Victoria with abundant opportunity to spot possums, kangaroos, echidnas, birds and of course, koalas. Earthwatch staff direct volunteers to conduct tree measurements, collect biological samples, and track koalas by radio. Accommodations are provided in modern self-catering cabins with evening meals prepared on a communal basis. Trip duration is 10 days and participants are responsible for their own travel arrangements. However, Qantas includes a AUD\$100 travel voucher.



Image: Earthwatch Institute

Air France – Flying Blue

Reward: Air France Recycled Life Vest Purse

Price: 9,000 miles (€25 value)

Item Description –

Life vests have a limited life span before they must be removed from service. Air France teamed with Bilum to recycle expired life vests. The flat purses are manufactured in France by people with disabilities as part of a work center program. Members may redeem points (or pay with cash) for a wide variety of Air France inspired goods at Shopping.AirFrance.com. Air France has made an outstanding and tasteful effort to blend its logo and company culture with hundreds of items – these are airline logo items you actually would enjoy using or wearing.



Air Canada – Aeroplan

Reward: Me to We Adventure and Volunteer Trips

Price: 128,000 miles for CAD\$1,000 gift certificate.

Item Description –

Me to We is a Canada-based organization providing “travel with a purpose” to young people. Participants can volunteer to lay bricks for a new school, dig for a water project, or teach English in a school. Program destinations include Kenya, Tanzania, India, Ecuador, Ghana, and the Amazon. Prices range from CAD\$2,750 to CAD\$5,495 with trip durations of 8 to 21 days. Roundtrip travel from Toronto is included, as are accommodations, meals, purified water, and full time staff facilitator support.



Image: Me to We at MeToWe.com

Linked to the carrier's brand

Air New Zealand – airpoints

Reward: Gandalf Magical Silver Scarf

Price: 145 airpoints dollars (\$106 value)

Item Description –

Air New Zealand allows its frequent flier currency, called airpoints dollars, to be redeemed for merchandise at the airports store. Within the store is the “Totally Kiwiana” section which specializes in all things New Zealand. Among the selection are items linked to the Hobbit series which was filmed in New Zealand, such as a replica of the magical scarf worn by Gandalf. It's appropriately made from 100% New Zealand wool and packaged with various trinkets to prove its lineage to the *Lord of the Rings* Trilogy.



Image: AirpointsStore.co.nz

All Nippon Airways – Mileage Club

Reward: Pair of 747 Business Class Seats

Price: 747,000 miles (\$6,288 value)

Item Description –

ANA pays tribute to the 747 at the “747 Forever” A-Style online shop (Japanese language only). Fans of this global aviation workhorse can buy various memorabilia, which includes business class seats from decommissioned aircraft. A pair of seats is priced at ¥747,000 which is equivalent to \$6,288. ANA’s Mileage Club allows members to redeem miles for A-Style purchases at the rate of one mile for every yen. Other 747 memorabilia offered is made from recycled passenger windows, seatbelts, and engine turbine blades.



Emirates – Skywards

Reward: Ticket to Paris Saint-Germain Football with Emirates Club Access

Price: 12,000 miles (€170 for level one tickets plus value of club access)

Item Description –

Emirates has several sport sponsorships, such as AC Milan, Arsenal, Real Madrid, and Paris Saint-Germain; these typically involve premium seating and exclusive lounges in stadium. Skywards members may redeem miles for luxury seating at a Paris Saint-Germain game and enjoy access to the Emirates Club. Pictured above is the replica of the premium class lounge found on its new Airbus 380 aircraft which has been fitted within the Emirates Club at the stadium. It’s a spectacular example of linking a carrier’s brand to a sports sponsorship.



Qatar Airways – Privilege Club

Reward: Merchandise in the Oryx Galleria

Price: Pay with Qmiles

Item Description –

It’s completely appropriate for the last example of an alternative reward to not be an actual item or service, but rather retail excellence. The Oryx Galleria in Doha is offered in the spirit of Harry Selfridge. Privilege Club members may redeem Qmiles at the Qatar Duty Free shop in the airport, or at the Oryx Galleria in the carrier’s headquarters complex.



The store is spread over two floors and offers a wide range of 600 branded products such as fashion apparel, fragrances, luxury watches, jewelry, electronics, toys, luggage, household appliances, gadgets, and sporting goods. Rather than American Express or Visa representing a form of payment, members in this store pay with Qmiles by swiping their frequent flier program card. Discounts are provided to elite level members. Qatar also operates a member services desk at the store for account queries and flight rewards, which are granted a 5% mileage discount.

Frequent flier programs must entertain and engage

Airline CFOs seem preordained to forever fret over the payback provided by frequent flier programs. The concern becomes acute when programs spend hard-earned cash from the treasury on the purchase of rewards from vendors. They worry that programs are little more than a rebate back to the customer. This outcome has been confirmed by the all-powerful Internal Revenue Service of the US government; rewards provided by programs are not taxed for this reason.

So perhaps it's an industry secret, these programs must represent something far beyond a mere rebate to justify their existence. Frequent flier programs, when performing at the highest level, must engage individual members in a relationship that is unusual between a warm-bodied human and a cold corporate entity. The member must be convinced that remaining loyal goes beyond the inconvenience of a connecting flight, the pain caused by the occasional lapse of service, and the economic pain of a higher fare.

That's where the magic of a well-thought-out alternative rewards strategy can pay dividends. It's the moment predicted by Harry Selfridge, when the consumer's imagination is moved and the hand goes automatically to the credit card to buy a ticket based upon the perks provided by the allure of a frequent flier program. At that moment, the revenue gain can be immense, especially when multiplied by millions of members. This is the level of seduction frequent flier programs should seek to attain.

5 Tips for Adding Alternative Rewards

- At a minimum, ensure your program has the must-have rewards of “air, hotel, and car.”
- Programs often add bits and pieces during the course of time. Determine whether the reward schedule seems connected and consistent and doesn't represent a labyrinth that confuses and bewilders.
- Be thoughtful when selecting rewards and choose those that create the personality desired for the frequent flier program and ultimately the airline.
- Consider services already provided by the airline. Often it's simply a matter of permitting the transaction process to accept miles or points in addition to cash.
- Look for possibilities already linked to the brand of the airline; when combined with the enjoyment of a reward, these double the impression made on the consumer.



Exceeding Expectations

"IdeaWorksCompany exceeded our training expectations."

Managers and board members attended Jay Sorensen's workshops to learn from his expertise. His insight brought new dimension to our knowledge of industry trends and client-oriented service innovation. The key takeaways of the workshop provided our team of vice presidents with a clearer roadmap on how to develop our new AAA – Avianca Ancillary A la Carte – program."

Estuardo Ortiz
Chief Revenue Officer



Airlines all over the world choose IdeaWorksCompany for a revenue boost.

IdeaWorksCompany is a leading consulting resource for ancillary revenue and loyalty marketing. Our client list spans the globe – Europe, Middle East, Americas, South Pacific, and Asia – and every type of carrier. Avianca benefited from our expertise in the areas of frequent flier programs, ancillary revenue, and a la carte services.

Reach Jay Sorensen direct at Jay@IdeaWorksCompany.com



Avianca is the commercial brand that represents the Latin American airlines integrated into Avianca Holdings S.A. The airline, which is a Star Alliance member, serves 98 destinations in 26 countries throughout the American and European continents with its modern fleet of 173 aircraft, including the Boeing 787 Dreamliner.