

e-Listening

What You Can Learn From Your Customers

FFP Expo 2008

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What do Customers Really Think About Their FFP?

Every week, in some local or national press, someone is “reporting” on the reduced value of FFP’s due to the lack of free seats or higher mileage redemption requirements.

But, is this valid?

Have customers really “given up” on their FFP’s?

Or, is this a case of extrapolating a few bad examples to represent the whole?

The best way to determine the “truth” is to ask those whose opinions really matter – the Frequent Flyer.

e-Communications – Fast and Cost Effective

The days when research into customer opinions and reactions took forever and cost a fortune are gone.

The ubiquity and speed of email has changed in dramatic ways how you can “feel the pulse” of the customer.

In addition, email provides the opportunity to specifically tailor communications to customers.

e-Listening

The e-Rewards and e-Miles models have provided significant insight into how to effectively communicate with customers today – e-Listening.

e-Listening

Continuously soliciting information and feedback from customers to build actionable knowledge

A Practical Example of e-Listening

In preparation for this conference, we decided to “Feel the Pulse” of Frequent Flyers.

We set out to determine the following:

1. Current Satisfaction with the FFP's
2. Change in Satisfaction
3. Difficulty Redeeming
4. Change in Redeeming
5. Importance of Earning Miles
6. Value of Hotel Programs
7. Other Programs FF's Participate In

Within 48 hours we had conducted a statistically valid survey among US FF's that provided actual insight into opinions, not a reporter's bias.

Current Satisfaction with the FFP's

Frequent Flyers, while not willing to recommend their FFP to others or disappointed with their FFP, still rank FFP's as providing the best value among frequent buyer programs.

1. 60% of FF's said they would not recommend their FFP or were dissatisfied enough to consider switching programs.
2. Among 6 categories of frequent buyer programs (airlines, hotels, retail, credit cards, grocery store, rental car) 33% of those surveyed ranked FFP's as providing "the greatest reward value."

Change in Satisfaction

Despite all the negative press coverage about FFP's, the vast majority of customers have not changed their opinion over the last year.

However, when compared to 5 years ago, a significant number of customers think the programs' value has declined.

1. 72% of customers say their satisfaction with their FFP has not changed from last year.
2. 42% of customers believe that FFP's are less valuable than 5 years ago.

Difficulty Redeeming

Don't believe the "grandmother research" – only 10% of the Frequent Flyers surveyed said they were not able to redeem a free seat.

1. Almost 50% of those surveyed were able to redeem one or more free seats on the flights they wanted.
2. 41% had not tried to claim a free seat in the last 12 months.

Change in Redeeming

The majority feel that the redemption process is as easy or easier than a year ago.

1. 57% had as easy or an easier time redeeming a 25,000 mile reward as last year.
2. 75% had as easy or an easier time redeeming a 50,000 mile reward as last year.

Importance of Earning Miles

Frequent flyers still value their FFP's. Of those surveyed, 44% said it is more important to earn miles on their preferred airline than historically.

This can partially be explained by rising ticket prices; 55% said that the price point for redemption of miles for personal travel has increased.

1. 21% of FF's said it is "significantly more important" to earn miles in their preferred program.
2. 27% of FF's strongly agreed that the price point at which they will use miles to purchase a personal ticket has increased since last year.

Value of Hotel Programs

When compared to FFP's, members of hotel programs have a lower increased desire to accumulate hotel points than two years ago.

1. Only 26% of FF's said they had an increased desire to accumulate hotel points than they did two years ago.
2. This compares to the previously reported 44% increased desire to collect FFP miles.

Other Programs FF's Participate In

Among Frequent Flyers, there is significant opportunity to expand membership in other frequent buyer programs, probably through the offer of miles as a reward.

1. 49% of FF's don't belong to a Car Rental program.
2. 41% of FF's don't belong to a national Retailer program.
3. 29% of FF's don't belong to a Credit Card program.
4. 27% of FF's don't belong to a Hotel program.

Customer Surveys are Better Than Anecdotal Data

All surveys have their inherent biases and margins of error.

The speed and cost effectiveness of online surveys permits a constant tracking of attitudes to measure relative changes, not just attitudes at one point in time.

Use the communication channel you have with your customers to stay current regarding their concerns, interests, and changes in perception. It's better than relying on press reports or anecdotal research.

Final Thoughts

- You cannot do too much to convert all customers to email relationships.
- Ask the customer how often they want to hear from you.
- Ask the customer what they want to hear from you.
- Encourage the customer to opt-in to partner offers/communications.
- Regularly “Feel the Pulse.”
- Don’t listen to the media about how your customer feels – ask the customer yourself!



Thank You

