Loyalty and the Infrequent Traveler

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AGENDA

1. Travelers view on FFP value proposition
2. Engagement model with infrequent travelers
3. Norwegian Reward case study
Infrequent traveler…

Do we really care….
20/80
TOP CUSTOMERS – IN SEARCH FOR PRIVILEGES & RECOGNITIONS

- high yield traffic of very frequent travelers
- recognition / status
- comfort
- privileges
- looking for status recognition rather than rewards

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FREQUENT TRAVELLERS – LOOKING FOR STATUS, RECOGNITION, REDEMPTION OPTIONS

- frequent travelers
- high purchasing power
- looking for recognition and privileges
- in search for broad accrual possibilities
- combining various loyalty programs (FFP and retail) to achieve economy of scale effect
OCCASIONAL TRAVELLERS – NOT ADDRESSED BY LOYATY PROGRAM

- occasional travelers
- target of multi-partner loyalty schemes
- eager to gain variety of accrual and redemption options
- desired redemption on award flights
- FFPs require strategy for this segment in order expand their customer base and market position

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CUSTOMER PERSPECTIVE

TOO COMPLICATED
CUSTOMER PERSPECTIVE

TIME CONSUMING
CUSTOMER PERSPECTIVE

LOW VALUE
CUSTOMER PERSPECTIVE

VALUE ONLY WHEN MONEY ARE SPENT

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CUSTOMER PERSPECTIVE

REWARD FAR AWAY...
COST OF DELIVERING LOYALTY PROPOSITION TO INFREQUENT TRAVELLERS IS TOO HIGH...
PROPOSITION OF FFPs vs SPENT TYPE

FREQUENT TRAVELERS

- Business spend
- Private spend

INFREQUENT TRAVELERS

- Business spend
- Private spend

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LOYALTY ENGAGEMENT MODEL

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