Loyalty and the Infrequent Traveler

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Piotr Kozłowski, VP Consulting, Airline/Travel Loyalty, Comarch
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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29th November – 1st December 2017
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

YIELD / FREQUENCY OF TRAVEL

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OCCASIONAL TRAVELLERS – NOT ADDRESSED BY LOYALTY 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
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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NORWEGIAN REWARD – CASE STUDY

Kristin Møllerplass – Norwegian Reward
"It won’t last more than 30 days, 3 months maximum" they said
Norwegian in Brief

- Worlds 6th largest LowCost Airline
- 32.3 million passengers last 12 months
- Recently launched partnership with easyJet
- Norwegian Air UK given final approval by the US Department of Transportation
- Winner of SkyTrax awards
- The Norwegian Group also consists of Bank Norwegian (Nordics), Norwegian Holidays and Norwegian Reward
512 routes
Norwegian Reward - highlights

• Now celebrating 10 years anniversary
• 6.6 million members
• Winner of Freddie Awards: Program of the Year and Best Affinity Card
• Highest member growth in UK, US and ES
• 19 Rewarders
Transparent, easy to use and benefit from

- Low cost carrier
- Mainly leisure travelers
- Strong competition
- Business travelers in some regions
Transparent, easy to use and benefit from

Revenue Based currency which can be used on all flights as full or partial payment

Benefits are earned for every 6th flight. Members can choose which one they want

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Rewards

With Rewards we wanted to be:

• A program for all members, both the ones with low frequency and the ones with high frequency

• A program where the individual is in charge and can choose their benefits

• A program with rapid rewards

• A program that is easy to understand and to use
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https://vimeo.com/170441088
What is the concept of Rewards?

- You receive a Reward for every 6th flight
- You «choose» the Reward you want
- Currently there are 4 different Rewards to choose from

• 2% CashPoint boost can be chosen 5 times = 10% CashPoint boost on low fare tickets
• With 48 flights member have qualified for all Rewards
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29th November – 1st December 2017
Flights to New York–John F Kennedy from London–Gatwick

Select wanted outbound date. Press "Show flight departures" to continue.


November 2017

<table>
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<tr>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
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Bold text indicates the lowest fare for the month per person.

Terms and conditions apply

Show flight departures

Mega Event WorldWide
29th November – 1st December 2017
# Flights to New York–John F Kennedy from London–Gatwick

Select departure and start reservation

<table>
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<tr>
<td><strong>Departure</strong></td>
<td><strong>Arrival</strong></td>
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<tr>
<td>08:00</td>
<td>London–Gatwick</td>
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<tr>
<td>17:10</td>
<td>New York–John F Kennedy</td>
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</table>

**Upgrade to LowFare+ and save money**

- choose LowFare+ for just £30.00 extra. The fare type includes:
  - up to two meals on board
  - 1 checked bag x 20 kg
  - seat reservation

You'll save £35.00 compared to buying this separately.

**Use CashPoints as payment**

You have 4208 CashPoints. You can use these as payment.

Amount due after using CashPoints £0.00

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**My Travel Selections**

Flying Norwegian pays off, Kristin!

As a Reward member you'll be rewarded with 2 000 CashPoints on this booking. You can also add the following reward(s) free of charge:

- Checked baggage
- Seat reservation

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**Mega Event WorldWide**

29th November – 1st December 2017

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**AVIS & Budget**
My Travel Selections

Flying Norwegian pays off, Kristin! As a Reward member you’ll be rewarded with CashPoints on this booking. You can also add the following reward(s) free of charge:
- Checked baggage
- Seat reservation

Outbound

London–Gatwick - New York-John F Kennedy
Tuesday 7. Nov 2017 06:00
Terminal: S
Flight DY7013 - LowFare
Operated by Norwegian Air Shuttle

1 Adult £149.90
Seat reservation(s) £0.00
Checked baggage: 1 bag(s) £0.00

Confirm reservation

Payment Information

It is safe to pay by credit card. Read more >>

Total price (incl. taxes and charges): 149.90 GBP

- Pay with credit card for the whole amount
- Pay with CashPoints for the whole amount (Credit card is not charged)
Thank you!
PS: join us on norwegianreward.com