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AIRLINE BRANDS LETTING 73% OF POTENTIAL MEMBERSHIP CUSTOMERS GET AWAY

Almost half of all airline customers are interested in annual membership packages, with 73% stating they are not currently being offered these

48.3% of all airline customers recently surveyed are interested in buying annual membership packages that provide benefits, such as travel insurance, airport lounge access, wi-fi and travel guides from airline brands, if the package offers a saving compared to buying the products separately. The research, commissioned by ancillary revenue specialists Collinson Latitude, confirms an untapped consumer need, with 73% of respondents stating they are not currently being offered memberships from their airline brands.

According to previous research carried out by Collinson Latitude in April this year, airlines are more concerned with generating revenue from additional products and services than any other sector, with 46% of industry respondents citing additional revenue generation as the main reason for developing add-ons or enhancements to their core business. Yet in spite of this focus on revenue, airlines could do more to capitalise upon consumer demand for highly profitable annual memberships.

Memberships can help achieve a number of business objectives; generate new, sustainable revenue streams, create a number of cross and up selling opportunities, and drive cost-effective retention . Offered across multiple touch points, memberships also provide important customer behavioural and transactional data, enabling airline brands to bring a higher level of accuracy and insight to their customer engagement strategy.

Over 1,000 consumers took part in the independent Toluna survey, which sought to identify consumers' willingness to purchase membership packages comprising multiple benefits.

Janet Titterton, Business Planning Director, Collinson Latitude comments:

"It appears airline brands are missing an opportunity to generate revenue and engage with their customers through the provision of membership products and services that are relevant and of high value.

Our forecasts indicate that through a revenue share model, £13 million profit could be generated over three years by signing up just 65,000 customers to a multi-benefit membership*. The airline industry views itself as well acquainted with un-bundling, but with regard to adding value to their core offering, there is a still a long way to go to fulfil the potential of this approach."

Following this research Collinson Latitude has launched a quick profit calculator at www.latitudehooked.com where airline businesses can predict the profit potential from offering annual membership packages

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Notes to editors

Collinson Latitude™ - Creating profitable customers for life.

Collinson Latitude is a global provider of incremental revenue products and services - designed to make a businesses' customers more active, loyal and profitable... for life.

We have combined the Collinson Group's 20 years of expertise in loyalty marketing and technological innovation with an extensive global network of partnership product providers to bring businesses a unique portfolio of membership, loyalty and promotions products and services.

Collinson Latitude's products and services will enable differentiation and drive retention, by adding value to a customers' experience and increasing their interaction with a brand.

*visit www.latitudehooked.com for more information about how this was calculated