



Danielle Brown

# Loyalty spending

**Danielle Brown** is vp of marketing at loyalty management company, Points. Here she explains how airlines are enhancing their hospitality offering by extending the reach of their loyalty programmes



**Though loyalty programmes touch just about every industry, there's no other industry with a stronger reputation and affinity for loyalty programmes than the travel industry. Loyalty has been adopted in just about every corner of the industry since the first frequent flyer mile popped up in 1972 with United Airlines. Now, with changing consumer expectations and available technology, loyalty programmes are evolving from the simple model of "fly X miles, get X miles free" to programmes that offer a wider variety of ways to earn and redeem rewards, and enhance the entire travel experience.**

Now the trend is to enable travellers to use loyalty rewards to create a better experience as suits them. From avoiding lines and relaxing in airline lounges to adding luxuries or upgrades up in the air.

## Pre-flight

Record-breaking wait times at US airport security (TSA) has made TSA PreCheck more popular than ever and from July 1, Carlson Rezidor became the first hotel company to offer its guests the chance to zip through security by trading loyalty points for this service. Airlines are also catching on with carriers such as Alaska Airlines allowing loyalty rewards to be used for this PreCheck membership too.

Long wait times mean many travellers also now prefer to arrive early, and pay for lounge admission

and services with their frequent flyer points or miles. Delta for example allows its loyalty members to purchase drinks and food in its San Francisco Delta Lounge with Delta SkyMiles instead of cash. And United allows MileagePlus members to redeem miles on items in its Newark Airport Miles Shop, including electronic gadgets, suitcases, cookbooks, power adapters, travel guides, kids toys, clothes and more. Members using traditional methods of payments even earn five miles for each dollar spent.

## Inflight

As airlines look to reinvent themselves and deliver a more satisfying hospitality experience beyond just the transport, many others are also looking to their already established loyalty programmes for opportunities to add this kind of value.

Early this year, United Airlines began allowing travellers to redeem frequent-flyer miles for wifi on flights. While Flying Blue members are able to purchase goods such as gadgets, toiletries and luxury jewellery through Shop@KLM, which then delivers pre-ordered online shopping directly to their flight for free.

Frequent flyer miles and loyalty points are a valuable currency and as the travel industry continues to focus on creating better hospitality experiences, expanding loyalty programme utility and offering the chance to use loyalty rewards at different touch points throughout their travel journey is likely to become a key differentiator that sets programmes and service apart. •

