



Frequent Flyer news released on February 16, 2009

Flying Blue has become the victim of its own success. That is probably the only way to explain the changes that will make the program far less attractive for many as of April 01. Losers are on one hand price sensitive customers as discounted Economy Class fares qualify for 25 to 75% of flown miles only. But also Business Class customers, who use their miles in this class as well, are punished since all award levels in Business Class will increase (no changes in Economy Class). First Class awards are restricted to elite members and cost five (!) times as much as Economy Class awards. And occasional flyers have to watch out as they now need a flight activity every 20 instead of every 36 months in order not to lose their miles. Unlike other programs, one should note, however, that only the accrual of miles on a SkyTeam flight is considered as activity, hence notably not the accrual of miles with partners or the redemption of miles.

Members of SAS' **EuroBonus** program as well as of all partner programs of SAS have been able to accrue reward points on Swedish domestic flights without any restrictions since February 01 again. Following a court decision, this was forbidden on all routes, where competitors operate, since October 2001 and travellers accrued status points only, unless their flight was a connecting flight. This practice has now been revised by the Swedish Competition Authority. The corresponding (anarchic) rule remains, however, in place on all domestic flights in Norway, at least for the moment being. But the Norwegian authorities followed their Swedish counterparts with a gap of a few months upon introduction of this regulation - let's hope that the same will apply when it comes to abolishing it!

Delta and Northwest have made another step towards their merger. As of now, customers, who are members in both the **SkyMiles** and the **WorldPerks** program, can transfer their miles without any restrictions between their own accounts. This works, however, for reward miles only, but not for status miles. And the best about is that this is, against the current trend, completely free of charge. Until March 15, linking up the two accounts even qualifies for a one-time bonus of 500 miles. Unlike reported previously by us, the launch of the new joint program will take place on January 01, 2010. By the way, as we are about to talk about SkyTeam: *Continental* has confirmed October 24 as exit date from the alliance and is expected to try to join Star Alliance without any disruption.

Shortly prior to the first birthday of the program, SriLankan is tackling the extension of the partner network in its **FlySmiLes** program. Next to *Malaysia Airlines* and *Deccan Aviation*, also the first car rental partner (*Hertz*), hotel partners (*Taj Hotels* and *Siddhalepa Spa*) as well as two telecommunication partners (*Travelling Connect* and *Dialog Telekom*) have joined the program since early February. A rather attractive credit card offer with *American Express* for residents in Sri Lanka, featuring various promotions until June 30, was already launched in January.

The program of Singapore Airlines, **KrisFlyer**, turned ten years old on February 01. While the program has surprised us by bad news only as of lately, this occasion is now used to launch attractive partner offers every two months until the end of the year. As example, 10,000 miles are awarded for stays of at least four nights at *Meritus* hotels in Singapore, Shanghai or Langkawi until the end of March. By the way, KrisFlyer is only ten years old because Singapore Airlines used to operate the legendary **Passages** program before, together with Cathay Pacific and Malaysia Airlines. Logically, their programs **Asia Miles** and

Enrich have just commemorated their tenth anniversary as well - but under exclusion of the members! Okay, these programs don't need to win back the customer confidence either...

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