

PERSPECTIVES ON CUSTOMER LOYALTY, FREQUENT FLYER PROGRAMMES AND REVENUE MAXIMISATION

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UNIVERSITEIT VAN PRETORIA
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Customer loyalty

- True loyalty entails
 - repeat purchasing behaviour
 - an underlying positive attitude
 - a high degree of commitment
 - resistance to counter-persuasion from competitors



Repeat purchasing behaviour

- Many factors influence customers' choice behaviour
- The interplay and relationships between these factors
- Choice differs for different market segments



Attitudinal loyalty =

- A positive attitude and a high degree of commitment
- resistance to counter-persuasion from competitors



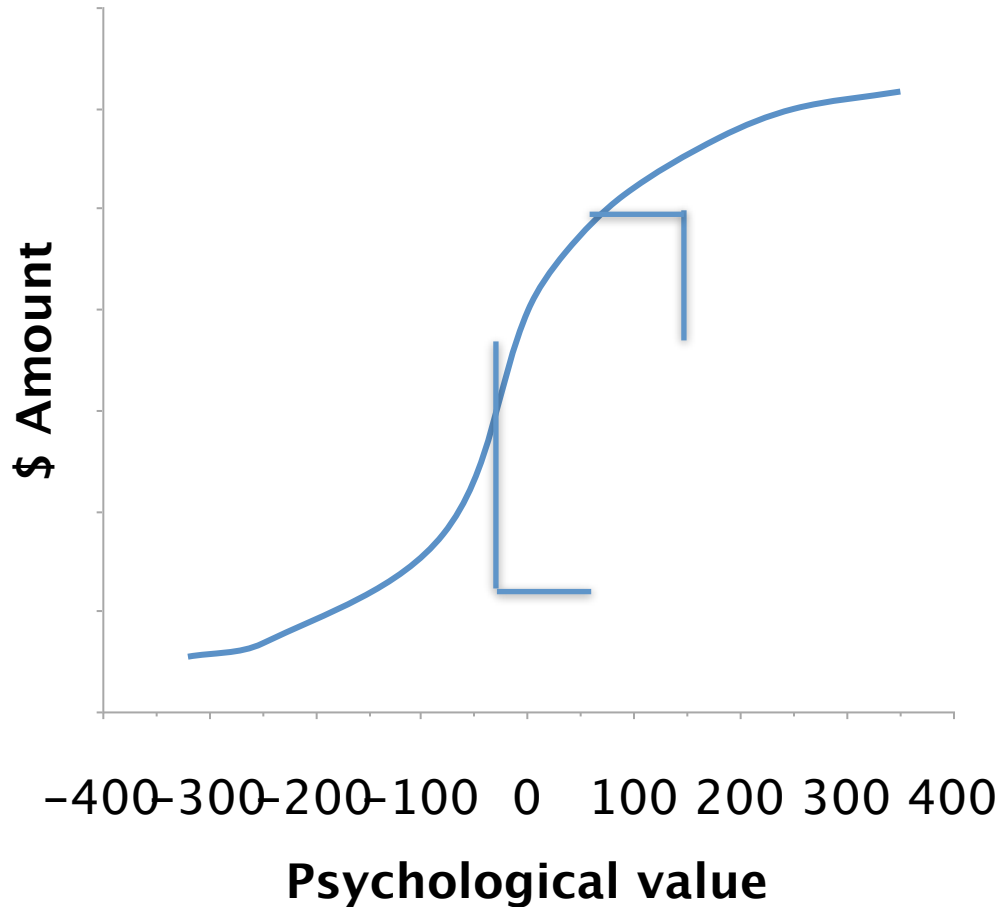
FFP Customer frustration

Loss of benefits

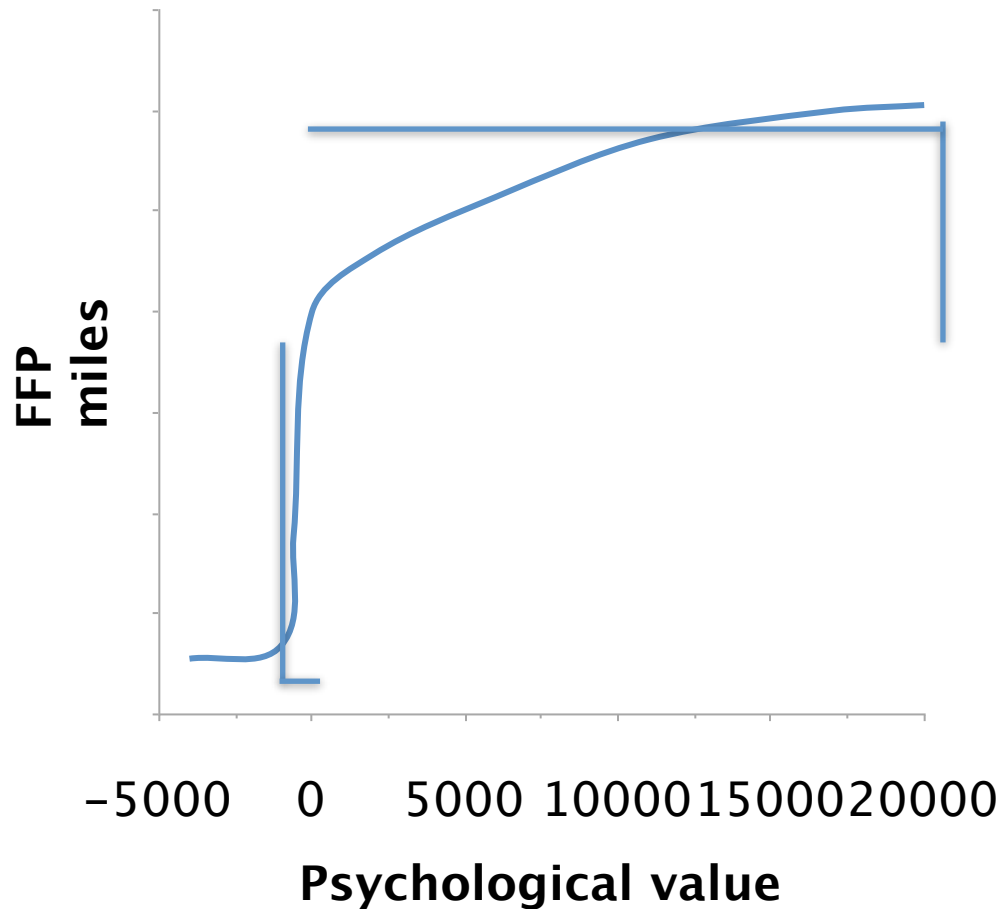
- Expiry of miles
 - Devaluation of miles
- miles



Prospect theory



Prospect theory (FFP miles)



FFP Customer frustration

Loss of benefits

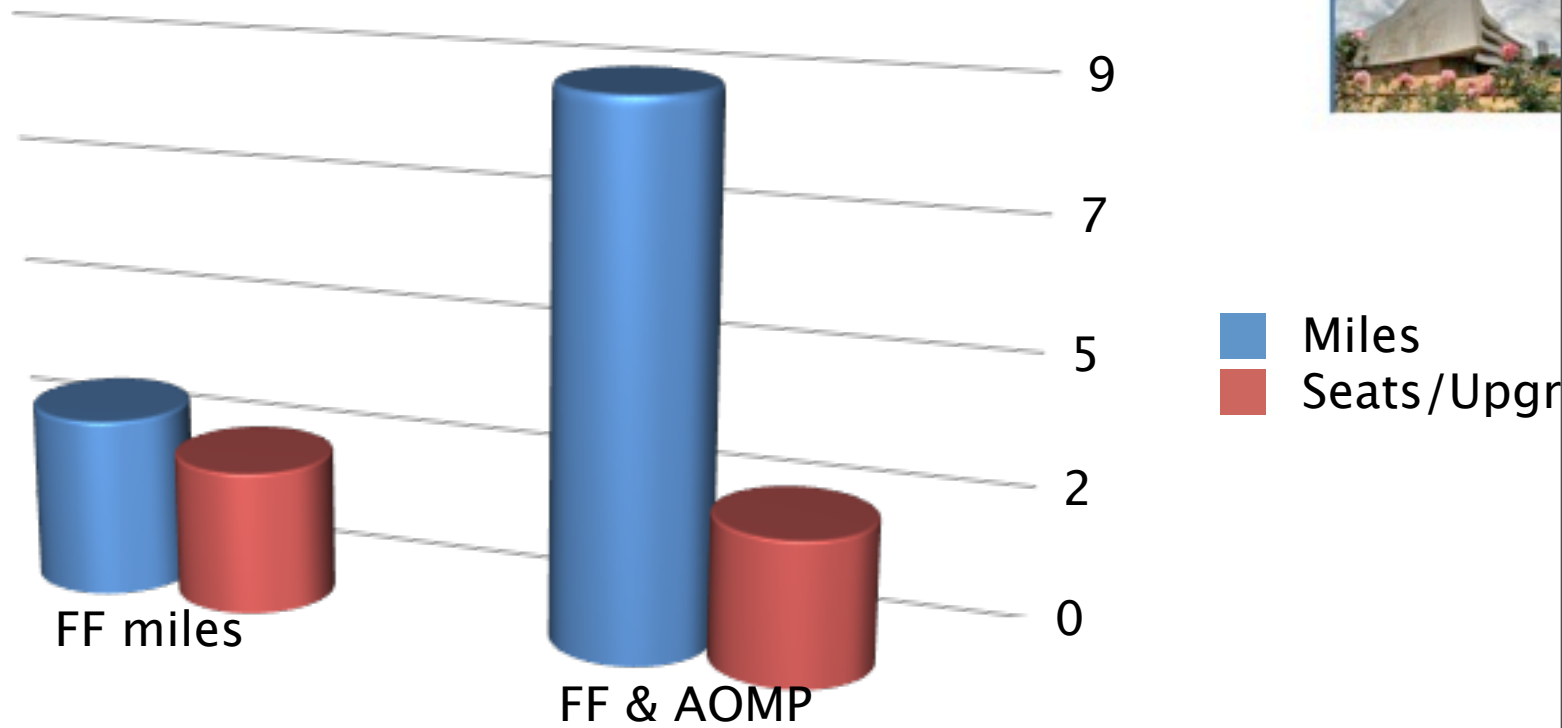
- Expiry of miles
- Devaluation of miles

Difficulty to redeem miles

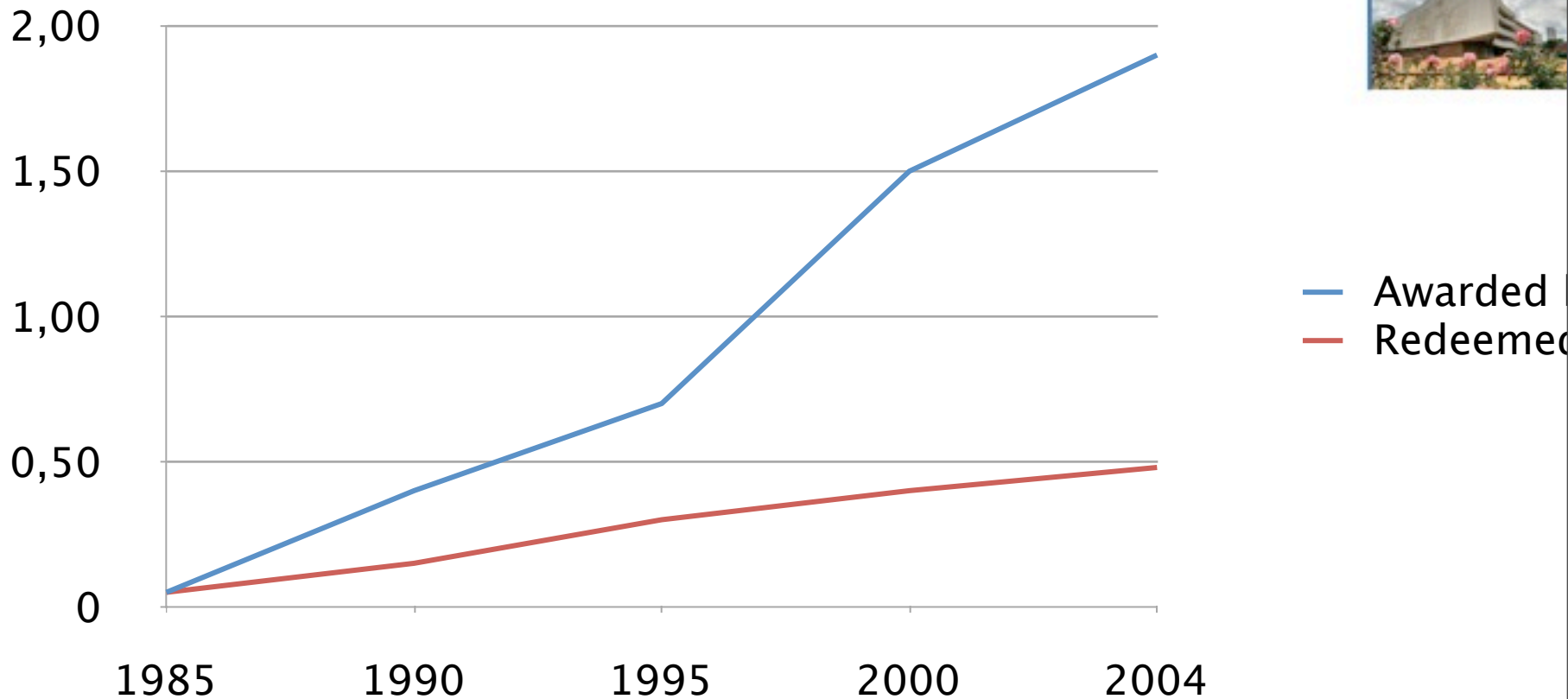
- Restrictions on upgrades



AOMPs & Loyalty



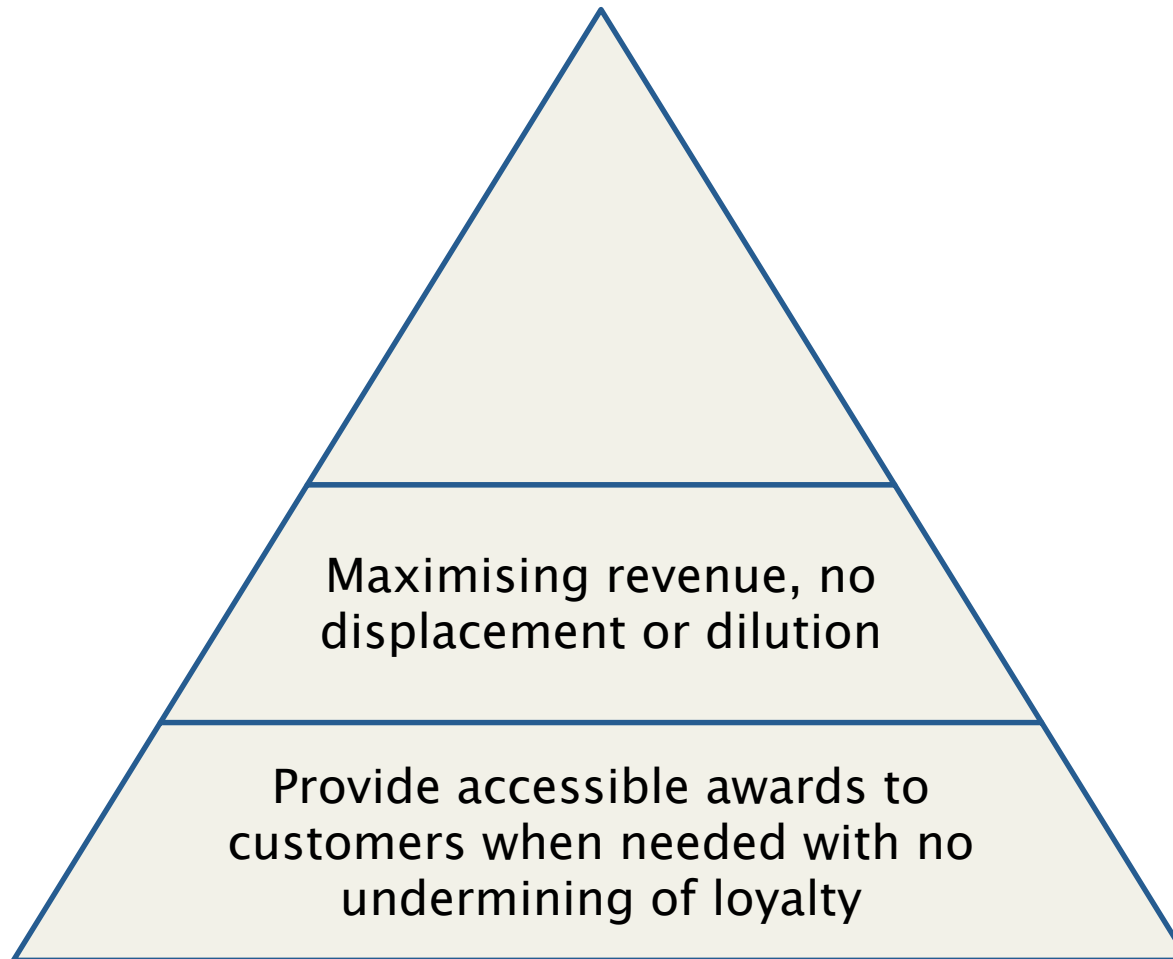
Miles apart US airlines' frequent flyer





1. Building loyalty through rewarding frequent flyers with miles, and
2. Maximising revenue through the sale of Add On Mileage Points are not reconcilable without
3. Decreasing the liability of unredeemed

UP Research:



Thank you.

Questions?

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