

TRAVELTRENDS™

Monthly travel insights from Compete

By Gregory Saks

DOES A NEW REWARDS BOOKING TOOL GIVE AMERICAN AN AADVANTAGE?

At the beginning of March, American Airlines announced the introduction of a redesigned online booking tool for its AAdvantage rewards members. The new functionality is intended to make it easier for members of American's loyalty program to redeem miles online. What impact has the new tool had on American bookings?

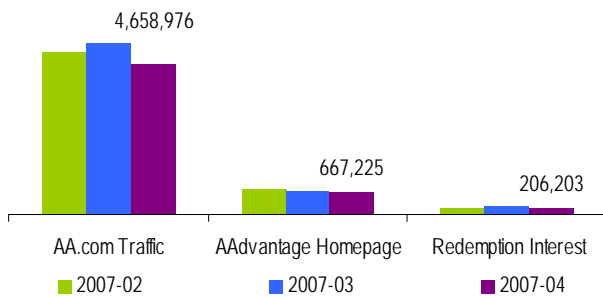
The redesigned AAdvantage booking tool impacted conversion dramatically, improving the redemption booking rate from 7% to 12%.

Compete's Travel practice researches the entire online consideration and booking process for consumers, offering an unmatched level of insight into how travelers engage, cross-shop, and convert across all agency and supplier destinations.

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AA.com Activity Levels (February 2007 – April 2007)



On a monthly basis, American's website attracts roughly 5 million U.S. consumers, making it the second largest airline website behind Southwest.com. Of these 5 million visitors, over 600,000 click to view the homepage for the AAdvantage program, and 200,000 specifically express interest in

redeeming miles. Given the number of consumers American has coming to its site to manage their AAdvantage accounts and redeem miles, any change in performance could have a significant financial impact.

AA.com's new redemption functionality was launched at the beginning of March and had an immediate impact. While the number of consumers expressing interest in redemption was stable (defined by navigating to the redemption section), the success rate increased dramatically. In each step of the redemption/booking process for a rewards member, the percentage of consumers reaching that step nearly doubled. 60% now submit their date range compared to 30% previously, and over 12% ultimately complete a redemption booking, up from 7% pre-redesign.

Behavior of Visitors Attempting to Redeem Miles (February 2007 – April 2007)



It is likely that a major slice of American's redemption business has now been moved away from high-cost channels and onto AA.com. Marketers must not gloss over the importance of improving online tools for rewards members. With careful optimization, significant cost savings and other benefits can be generated from investment in loyalty program functionality.