

Extended 60 Seconds Interview with Barry Green of Etihad Guest

Award-winning Etihad Guest has more than 700,000 members from 194 different countries. We recently spoke with Barry Green, Head of CRM & Loyalty and published the interview in the November issue of InsideFlyer magazine. This is an extended version of the interview.

InsideFlyer

Your program has been around for just a few years now. Have you been part of the Etihad Guest team from the very beginning? Can you tell us a little about Etihad's approach when creating the program?

Barry Green

Yes, Etihad Guest is still only a little over three years old, and I was part of the team that worked on the creation of the program for a whole year before we launched it in August 2006. Our overriding aim was to design and implement a program that gave real benefits to our Guests and at the same time introduce some true innovation into the loyalty program arena. We certainly didn't want to launch 'just another frequent flyer program'. On the contrary, we set out to launch the best loyalty program ever and to overcome many of the shortfalls of existing, traditional FFPs. I have to say that judging by the success we have had at the Freddie's since launch (a total of nine awards including Program of the Year in 2008, plus one special innovation award) we appear to be getting close to this goal.

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And can you share with us some of the ways the program has changed over the years?

Green

Because we invested a lot of time and effort at the design stage, we found that for the first year or so, our Guests found the program was delivering all that they expected—and more. However, as in many other fields, in the loyalty arena if you stand still you are moving backwards; our competitors were quick to seize on some of our innovative ideas. Therefore we have introduced several changes to the program over the years. Two of the important ones for us were raffles and auctions for our Reward Shop. These both provided a new category of rewards—one filled with fun and excitement. We have also introduced one-way redemption flights and instant upgrades with miles at the airport—both aimed at giving our Guests more choice and freedom in how they redeem their miles. Another innovation that we introduced since the launch has been our "Instant Membership" cards; these are available at all our check-in desks and allow Guests to receive their membership card and number there and then and to instantly enroll into the program.

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What would you say are some of the biggest benefits for members?

Green

One of the biggest benefits of the Etihad Guest program is the huge range of products and extensive choice available to Guests when they redeem their miles. We currently have over 1,600 products available for our members—all of which can be ordered online and all are available for as little as one mile, as members who don't have sufficient miles in their account for their chosen reward can still obtain the reward by choosing the completely flexible 'Miles+Cash' option.

Another of the important benefits of the Etihad Guest program is the way in which we make it very easy for Guests to use their miles to obtain a ticket for any seat on every single flight we operate—provided it is not already sold. Our 'OpenSeat' feature allows Guests to redeem their miles for the very last seat on a flight—at a cost in miles equivalent to the commercial price of this seat.

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And for members living in North America—why should they consider Etihad Guest membership?

Green

We currently have around 50,000 members in North America and operate flights directly to/from Toronto, New York and Chicago. In total we have 56 destinations on our own network but when we consider all of our codeshare agreements, including the recently announced agreement with American Airlines, our network coverage has increased considerably to cover more than 100 destinations worldwide. We will continue to increase the number of destinations we fly to in the future. The Etihad Guest program has so many benefits that all of our regular customers should, of course, join the program. However, even for our North American customers who fly with us relatively infrequently, it makes perfect sense for them to join our program too. With only one return flight from New York to Abu Dhabi in Coral Economy Class, for example, a Guest would earn more than enough miles to order an MP3 player—completely free, delivered to their door!

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In the "Unique Features" section of your Web site, there is the following statement: "Miles that are worth more—one mile can be worth much more than in any other program." Can you go into detail about what is meant by this statement?

Green

When members use the Miles+Cash feature, using our innovative 'slider' mechanism, they can see exactly how much each mile that they choose to use is worth. For example, when ordering a product and choosing to pay 100 percent with miles, the value of each mile is shown—and this always represents excellent value when compared with our competitors. However, if the Guest uses the slider to contribute fewer miles and more cash, then usually the value of each mile used increases—often to a value in excess of US\$1 per mile and sometimes significantly higher.

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What are some of the most popular awards that are redeemed?

Green
Our most popular rewards by far are flights. However, a substantial number of our Guests use their miles for products; the most popular category of product is electronics, followed by jewellery and watches. We also find that whenever we launch raffles, these prove to be extremely popular. Recently, for example, we held a series of raffles for Paddock Club VIP passes, with accommodation, for the upcoming 2009 Formula One Etihad Airways Abu Dhabi Grand Prix, and this created a flurry of activity on the Web site, with a large number of Guests buying raffle tickets in the hope of being one of the lucky winners.

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Why did Etihad decide to introduce one-way awards and are these awards popular with members?

Green
As mentioned earlier, we are always trying to meet our Guests' expectations whenever we can, and we did receive some feedback from Guests that they would like to be able to redeem their miles for one-way tickets. As a response to this feedback, we implemented this feature in July of this year. These redemption opportunities are proving to be very popular with Guests, with a significant percentage of redemption flights being booked as one-way flights.

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Etihad has a unique family membership where 100 percent of the miles flown by a family member can be earned in the Family Head's account. What percentage of members takes advantage of a family account?

Green
The Family Membership feature of Etihad Guest is indeed popular, and we are the only airline loyalty program that I know of with such a generous scheme. Because of this, we have a much higher than normal number of Etihad Guest members in the 2-to-16 year-old age range, which is an interesting marketing segment for us. Almost 20 percent of our Etihad Guest members belong to a Family Membership group.

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Etihad Guest currently partners with Brussels Airlines. Will this partnership change now that Brussels Airlines is joining Miles & More?

Green
There is no change in the benefits for our Etihad Guest members—they still retain the ability to earn and burn on Brussels Airlines' flights. However, as of October 2009 the converse will no longer apply.

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Other airline programs Etihad Guest partners with include Jet Airways, Oman Air and SriLankan Airlines. Why so few airlines? Any plans to add more airline partners?

Green
Yes, definitely; we are working very hard to increase the number of airline partners we have, especially with our codeshare partners and expect to make several announcements before the end of this year in this regard.

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Any plans to join an alliance?

Green
No. However, we do have a number of codeshare agreements in place and we will continue to grow this number. These codeshare agreements, when supplemented with a bilateral earn/burn agreement provide our members with many of the benefits of an alliance.

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Anything else you would like our readers to know about your program?

Green
Well, we are working currently on several new innovative additions to the program that I can't divulge here, but all I would say is "stay tuned....there's much more to come!" A good way for people to 'stay tuned' is to follow us on Twitter at twitter.com/etihadrewards.