

Asian airlines offering perks to keep elite passengers flying

A Monitor Report

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Sydney : The big international airlines in Asia are giving their best effort to keep their most lucrative flyers engaged in flying by offering mind-blowing perks from wellness workshops to dinner with a celebrity chef and flights to nowhere.

The desperate measures, to the passengers' luck, come as the pandemic-related travel halt drags beyond 18 months.

While flights are starting to rebound in the United States and Europe, international travel is still down 96 per cent in Asia due to tough travel restrictions, making it harder to maintain a relationship with grounded premium clients.

Elite frequent flyers, many of them business travellers, are coveted by full-service carriers like Australia's Qantas Airways Ltd, Singapore Airlines Ltd and Hong Kong's Cathay Pacific Airways Ltd, and the airlines want them back when travel resumes.

Prior to the pandemic, around 5 per cent of international passengers globally flew in premium classes, but they accounted for 30 per cent of international revenue, data from airline industry group IATA showed.

Asian airlines have given status extensions of at least two years to elite tier customers who have earned access to airport lounges and other perks such as priority access to seats and upgrades to higher flight classes. For airlines, the

extensions come at relatively little cost given the potential future reward.

Grounded elite members are not accessing airport lounges stocked with fine wines, made-to-order meals and day spas, although Qantas did host a dinner in Sydney for a few of them with celebrity chef Neil Perry and CEO Alan Joyce in June.

Singapore Airlines said it has hosted virtual wine tastings, wellness workshops and online courses such as miniature clay art and coffee-brewing and offered a first class dine-at-home experience.

With flights grounded, airlines globally have also boosted engagement with another lucrative group - customers who fly less often but spend large amounts on co-branded credit cards that earn users air miles they can redeem for flights.

Airlines earn money from such cards by selling the frequent flyer miles to credit card issuers to use as rewards for cardholders.

Consumers have kept spending on co-branded cards at a similar rate to the broader credit card market during the pandemic, Qantas data and American Express Co data on its co-branded Delta Air Lines Inc cards showed.

During the pandemic, Singapore Airlines and Cathay Pacific have developed their loyalty programmes into broader lifestyle brands, adding more miles-earning opportunities through e-commerce, dining and hotel stays, as Qantas has long done.