

Comarch Loyalty Management FFP at JetBlue Airways

Founded in 1999, JetBlue Airways is a successful American hybrid/low-cost airline with a fleet size of 151 airplanes and 60 destinations. In 2009 the airline was ranked "Highest in Customer Satisfaction among Low Cost Carriers in North America" by J.D Power and Associates, a customer satisfaction recognition received by JetBlue for the 5th consecutive year.

JetBlue is also the 2010 winner of the annual Customer Loyalty Engagement Index in the airline category, proving that the carrier is the market leader in creating and engaging loyal customers.



Business Challenges

The main reason behind JetBlue's decision to completely redesign its frequent flyer program (TrueBlue) was its rapid growth in terms of number of customers and program partners. The old loyalty platform was not flexible enough to support JetBlue's expansion. In addition, the existing platform only supported the possibility of a simple program with a limited number of configuration possibilities, points exchanged for vouchers and limited redemptions.

JetBlue envisioned that the optimal frequent flyer program should incorporate dynamic pricing and redemption, easily integrate with their reservation system and other internal systems (PNR database, Mercator RAS, etc.) and accommodate a large number of accrual and redemption partners; including American Express and Hertz Rental Car.

The TrueBlue 2.0 project was to also include the redesign of the TrueBlue website and intended to outsource the management of the loyalty management system and its associated disaster recovery system.

Program Assumptions

JetBlue implemented a revolutionary concept for its TrueBlue program. The main program rules and assumptions are:

- Revenue based point accrual – frequent flyer points are accrued based upon the price of the ticket and any additional services purchased rather than mileage.
- Activity based point expiration – members points will not expire as long as they fly or use their American Express card once per 12 months
- Any seat redemptions - any seat on any flight that is available for regular purchase can also be purchased using TrueBlue points
- Real-time award ticket pricing – price of award seats are calculated in real-time based on the price of the requested seat at time of redemption. This goes above and beyond the "no blackout dates" some FFP have as most airlines allow a redemption of only a certain number of seats per flight; JetBlue allows all available seats to be redeemed.

JetBlue set high requirements for its future loyalty solution provider. JetBlue wanted to give its customers the maximum number of possibilities with regards to the use and accrual of points. A flexible program needed a flexible IT platform. Comarch Loyalty Management's modular structure allows for incomparable flexibility in terms of business rule definition as well as integration with other supporting systems. The system can also be extended with the growth of the Frequent Flyer Program protecting the carrier from the need of changing the platform in years to come.

Implementation

For this project Comarch installed its Business Administration, Contact Center, Customer Web Application and Smart Analytics modules. All these modules create the environment where the enormous customer data may be successfully handled and evaluated for better customer care and retention. In particular, the Business Administration module gives the designer of loyalty program an endless number of reward and segmentation possibilities, Contact Center allows for a multiple channel communication with loyalty program member whereas Customer Web Application is a well planned portal for program members as well as non-members. The last of modules used to create the TrueBlue 2.0 architecture is the Smart Analytics module which measures the performance of the program as well as executes comprehensive customer intelligence. Smart Analytics is the ultimate part of any successful loyalty program.

One of the most challenging aspects of the project was a tight implementation timeframe. Despite time constraints, the 7 month deadline for integration with Navitaire was successfully met in early November 2009 when over 8 million accounts (and over 70 million transactions) were migrated to the Comarch Loyalty Management system. The next step was to switch to Sabre reservation system at the end of January 2010. Within a short period of time, Comarch not only integrated with two major reservation systems but also with JetBlue's revenue accounting and departure control systems. Although very satisfying, the project went beyond the initial scope of work by adding functionalities and program partners to set TrueBlue up to become the best loyalty program in the airline industry.

Results

Within merely two months, over 8.3 million members were switched or added to the new TrueBlue program. On average, Comarch Loyalty Management processes over 17 thousand airline and 5 thousand non-airline accrual transactions daily making it a fast and reliable system. In fact, Comarch Loyalty Management evaluates each transaction based on a number of parameters, accrual points, points redemption, purchased points, partner offers and others.

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