

Implementation of Comarch Loyalty Management

## S7 Priority

Case Study

S7 Airlines is currently Russia's leading domestic airline, serving over eighty cities across eleven time zones.

It operates scheduled passenger flights to Russian and CIS destinations, as well as international services to Austria, Bulgaria, China, Egypt, Germany, Ireland, Israel, Montenegro, South Korea, Spain, Thailand, Turkey and the United Arab Emirates. Its main bases and hubs are Domodedovo International Airport, Moscow and Tolmachevo Airport (OVB), Novosibirsk, with a further hub at Irkutsk International Airport (IKT), Irkutsk. Its domestic routes network is the largest in Russia.



### Business challenges

Although primarily a domestic airline, S7 is looking to continue to grow proactively both within Russia and on foreign markets. Due to the global and competitive nature of the airline industry, S7 recognized the need for an effective FFP database system with a broad functionality which integrate with Reservations, Airport Check-in and Departure Control systems. The desired system had to include integrated reporting processes to permit effective management and analysis of program performance so as to maximize member motivation for increased membership and revenue generation. In addition to the database system management, the scope of the functionality had to ensure the creative development and management of the program's marketing collateral materials, including newsletter production under the guidance of the S7 FFP. In summary, it entailed developing new application policies, mileage accruals and redemption policies, member tiering policies (elite levels), award policies and instituting supplier and partner agreements.

### Program assumptions

During the first twelve months of the program, S7 aimed to enroll 125,000+ members, including frequent, moderate and infrequent flyers, plus non-flying mileage ac-

crual possibilities. As with similar programs around the world, member transactions with S7 and program partner companies should generate substantial incremental revenue and thereby contribute to the success and continued growth of the airline.

### Result

S7 decided to create its own frequent flyer program, using flexible and advanced Comarch software solutions, which provides new possibilities for creating a clear and convenient program for frequent flyers. In fact, S7 decided to implement the Business Administration, Call Center, Web Shop, Logistics and B2B modules.

*"Through recognition of S7's need for an effective and innovative Frequent Flyer program, many aspects had to be considered. Our focus had to be not only on future market forecasts, expectations and results that should be met, but also on solution requirements that should be covered by system. Thanks to fruitful co-operation with Comarch professionals, we managed to launch "S7 Priority" in December 2008. The system will enable us to provide our frequent passengers with numerous benefits whilst making standard flights within*

*the S7 route network and engage partners in the program - allowing travelers to obtain additional miles by purchasing their products and services”, states Tarek Al-Oveyd, FFP & Ancillary Manager at S7.*

This Program will offer numerous possibilities, such as automatic miles accrual for flights prior to enrollment, online retro-claims, recognition through elite levels and a wide range of interesting promotions based on various parameters including region, segment, distance, elite tiers and audience.

### Program rules

Program members can join the S7 Priority program by filling out the registration form on the website or through the Call Center. Members receive a personal account and are able to accumulate miles using a temporary card. A plastic participant card will be sent after making the first flight with S7 as a program participant. The types of miles are diverse and members will be able to earn welcome miles, elite S7 miles, fare and class of service miles, airline and non-airline partner miles and miles for participation in special promotions. All miles are defined as status and bonus redemption miles. Program members can easily and quickly accumulate miles in order

to later spend them on rewards and privileges. Passengers are able to accrue miles in two ways: through regular S7 flights and by joining S7 Priority partners' services such as banks, airlines, hotels and other companies that will join the program in the near future. Miles calculation for flights is dependent on several factors including: distance, departure and destination airport, coefficients for the fare and class of service. Passengers are also able to use a miles 'calculator' to find out how many miles they will receive for their selected flight. Accumulated miles will allow members to make free flights or upgrade to a higher level of service e.g. from economy to business class. Participants will have the possibility to book a flight or upgrade through their personal page or by calling a Call Center Agent. Additional conveniences for participants are miles accumulation towards elite status and special privileges. There are three elite statuses in the program: Silver, Gold and Platinum. Participation in S7 Priority begins with the Classic card. For every flight with S7, members receive status miles, bringing them closer to elite status. As elite members, participants receive privileges and new possibilities with regard to: additional miles for flights with S7, personalized service, priority booking, seat selection, baggage transportation and boarding.



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EN-2009.05