

**Response from Christa Poole, Senior Manager, External Communications at Aimia Inc, owner of Aeroplan, to CBC's Go Public**

**On carrier surcharges:**

Taxes, fees and surcharges are imposed by governments, airport authorities and some airlines. All tickets booked by other loyalty programs in Canada are also subject to these taxes, fees and surcharges, where applicable. Fuel surcharge amounts are determined by each airline and may vary by route, market and/or class of service and are subject to change. It's important to note that Aeroplan applies fuel surcharge on behalf of the ticketing carrier, Air Canada, on redemption tickets. All amounts for taxes, fees and surcharges are paid directly to Air Canada in full for remittance. (Aeroplan neither collects nor remits carrier-imposed surcharges).

**In depth:**

**How many Canadians are Aeroplan point collectors?**

5 million members

**How many seats on flights are allocated for Aeroplan? Has that changed? If so, how?**

Air Canada's seat commitment is a percentage of their capacity. It is a seat commitment at the route, month level for all routes serviced by Air Canada and Air Canada Express and the full commitment of seat allocations is not necessarily made available all at once. As the commitment applies to all flights operating in both directions on a given route during a calendar month and not at a flight level, there is no guarantee that seats are allocated on each and every flight. Depending on seasonality, time of day, day of week, etc...It's important to note that Air Canada may also allocate well in excess of their commitment to Aeroplan. Also, one of the great benefits of being an Aeroplan Member is access to Air Canada's participation in the Star Alliance. The Star Alliance is a network of 27 member airlines with more than 18,000 daily flights to more than 1,300 destinations in 193 countries – more than any other airline alliance. In addition, Business class flight rewards offer great value and are in high demand, especially to international destination during peak vacation times. Air Canada may make more seats available at the flight departure approaches so members should check again for availability.

**Is the number of collectors going up or down? By how much? (is demand increasing or decreasing and by how much?)**

We don't report on this but we are increasing year over year. We are fortunate to have Air Canada as a partner. Air Canada's capacity has been growing significantly in recent years

and will continue to grow over the foreseeable future. Aeroplan Members benefit from this growth as Air Canada's seat commitment to Aeroplan is a percentage of the total capacity.

### **Why are some Aeroplan customers finding it harder to get a seat?**

Aeroplan puts more people in more reward seats than any other loyalty program in Canada. In 2014, approximately 2.7 million rewards were issued to members including 1.9 million flights on Air Canada and Star Alliance carriers. Increasing availability and ensuring members have access to the seats they're looking for is always a top priority for Aeroplan. The following initiatives have also been launched with this in mind:

- The launch of Market Fare Flight Rewards last January giving members significantly improved value, with all members having access to mileage levels reduced by up to 20%, and Distinction members enjoying reductions of up to 35%;
- The enhanced search engine on Aeroplan.com for the online shopping tool which provides full access to Air Canada and Star Alliance partner airlines;
- Last-Minute Travel Tool which highlights destinations with great availability;
- One-Way flight rewards which are now available at half the miles required for a round-trip.
- We also just announced last week that Aeroplan Members can now use their miles for the Premium Economy cabin on applicable Air Canada flights when booking both ClassicFlight and Market Fare Flight Rewards.

### **Do Aeroplan points expire?**

Expiry policies are very common in the loyalty and frequent flyer industries as they play a big role in reminding members to stay active. Aeroplan has a 12-month expiry policy: mileage will expire in accounts that have had no accumulation or redemption activity in the previous 12 months; in other words, to ensure Aeroplan Member accounts stay active, all it takes is one qualifying transaction (either by earning or redeeming miles) every 12 months. (It's as simple as filling up your car with gas from Esso once or using an affiliated Aeroplan credit card once or making a purchase at Home Hardware to even donating Aeroplan Miles to a charity-[www.Aeroplan.com/donate](http://www.Aeroplan.com/donate).)

### **Has Aeroplan increased the number of points needed for trips? If so, when was the latest increase and by how much? Why?**

As part of the overall changes to the Aeroplan Program, Aeroplan implemented adjustments to a very small amount of mileage levels in January, 2014.

- Previously, one-way ClassicFlight Rewards required 67% of the miles needed for a roundtrip flight reward. As of January 1, 2014, a one-way trip requires exactly 50% the amount of miles you need to redeem for a roundtrip ClassicFlight Reward. For example, a flight from Toronto to Fort Lauderdale was 17,000 miles. As of January 1, 2014, the same flight will require 12,500 miles.

- Required mileage levels for Business and First class ClassicFlight Rewards increased on specific international destinations:

- o To/from North America to/from Australia, New Zealand and South Pacific
- o To/from North America to/from Middle East and North Africa
- o To/from North America to/from Asia 1
- o To/from North America to/from Asia 2

**I understand Aeroplan has a program where collectors can book any available seat - but the numbers of points needed increases. How does that work? Why was it implemented?**

Last year, we announced new Market Fare Flight Rewards to replace ClassicPlus Flight Rewards, offering significantly improved value for our members. When members need options beyond our ClassicFlight Rewards, they have other options. Market Fare Flight Rewards offer members greater availability on flights operated by Air Canada and under the Air Canada Express brand at variable mileage levels, which are derived from market fares at the time of booking and the conversion of these fares into mileage levels. Mileage levels are influenced by factors that fluctuate including destination, time of booking, time of travel, demand, and the conversion of fares into miles. What's really great about Market Fare Flight Rewards is that members of Aeroplan's Distinction recognition program get reduced mileage levels:

- dDiamond members get up to 35% off the number of miles required to redeem for Market Fare Flight Rewards

- dBlack members get up to 25% off the number of miles required to redeem for Market Fare Flight Rewards

- dSilver members get up to 20% off the number of miles required to redeem for Market Fare Flight Rewards

**Aeroplan is a very popular program - is it over extended at this point? (more demand than the program can handle?)**

Aeroplan has something for everyone! In addition to flights, members also have access to over 1,000 exciting specialty, merchandise, hotel, car rental and experiential rewards. As I mentioned earlier, we announced our new Market Fare Flight Rewards to replace ClassicPlus

Flight Rewards, offering significantly improved value for our members. The introduction of these rewards have increased availability and also offer members reduced mileage levels if they are Distinction members.

**Does Air Canada still own part of Aeroplan?**

No, Air Canada is our partner. Aeroplan was spun-off as a wholly-owned subsidiary of Air Canada in 2002.

**Are there any changes in the works to how Aeroplan operates?**

Last year, we celebrated our 30th anniversary. It was a very busy and exciting time for the Aeroplan program and a defining moment in our journey. We set a goal to completely transform and reinvigorate the program so that we could give members a significantly strengthened value proposition. (Last year, we announced new Market Fare Flight Rewards to replace ClassicPlus Flight Rewards...Based on member feedback, we got rid of Aeroplan's seven-year mileage redemption policy and no longer expire Aeroplan Miles for members active in the program each year. We also officially launched Distinction, a tiered recognition program that rewards top accumulating members, based on total Aeroplan Miles earned across all coalition partners, with preferential mileage levels for redemption, bonus mile offers and exclusive privileges and all of these enhancements were enabled by groundbreaking agreements with TD, CIBC and American Express.)

We'll continue to look for different ways to enhance the member experience and broaden our program.