



LOYALTY PLUS

DRIVE CUSTOMER LOYALTY

LoyaltyPlus
Frequent Freighter

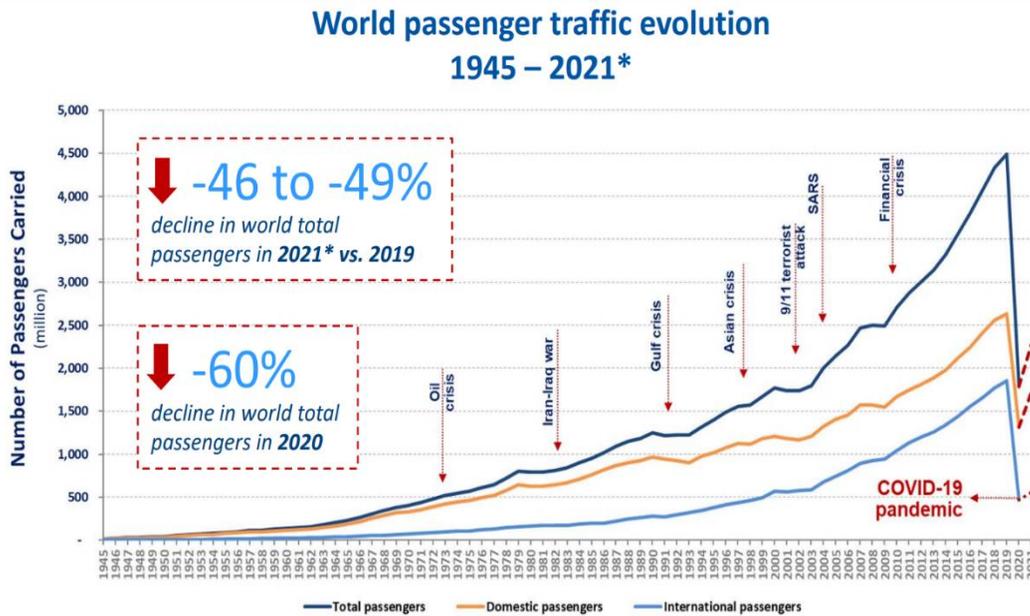
LOYALTYPLUS FREQUENT FREIGHTER WHITE PAPER
DRIVE CUSTOMER LOYALTY

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Frequent Freighter

Introduction

When the first cases of COVID emerged in December 2019, not many would have thought that the impact on the aviation sector will be so detrimental. Based on the ICAO, airlines worldwide have seen passenger numbers fall beyond anyone’s expectations. The chart below gives the impact of Covid on passenger numbers.



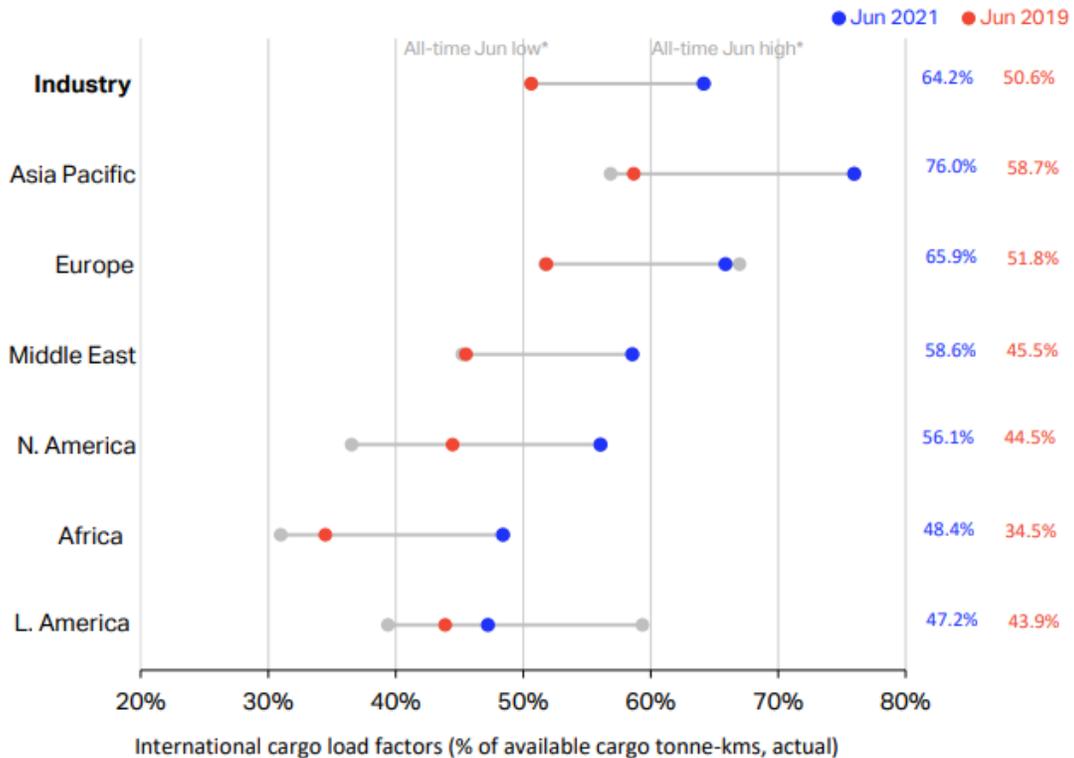
2020 saw 50% less seats being offered while 2021 saw a further reduction of 38% to 40%. Overall, the global aviation industry lost USD 371 Billion in gross passenger’s operating revenues in 2020 and already in 2021, the aviation industry has further lost USD 305 billion in gross passenger’s revenue.

Airlines all over the world have looked at ways to stem the losses incurred due to decreasing number of passengers, in the last couple of years. The industry saw leading airlines running “Buy Miles” campaigns to entice members to buy miles at discounted rates.

The cargo business gave the aviation industry a glimmer of hope, while passenger numbers decreased the cargo business flourished. IATA 2021 Report states that “cargo will constitute one-third of all airline business rising from 10-15% pre-covid times and account to around USD 152 billion”. It is estimated that only 1% of the global trade moves by air, but that 1% represents 35% of global trade by value according to IATA.

International cargo load factor chart from IATA

Worldwide growth in cargo load factors



Sources: IATA Economics, IATA Monthly Statistics

Introducing Cargo Loyalty

Rewarding agents or freight forwarders is not a new concept as airlines run various incentive and discount schemes, what is missing is the actual driving of greater payloads through a niche engagement programme that adds value to both the airline and cargo agents alike.

The whole idea of the “Cargo Loyalty Platform” or how we like to call it “Frequent Freighter” is to help the airlines with the following:

1. Create an eco-system that helps the airline differentiate its offering against competition. “LoyaltyPlus Analytics”.
2. Through incentivization and engagement of agents and freight forwarder, the idea is to carry high value “Cargo” that would deliver greater revenue margins for the airline. “Intelligent Segmentation”.
3. Drive greater cargo shipments where the “points collected” by cargo agents can be utilized towards discounts on their next cargo deliveries. (Member Portal, Accrual & Redemption).

There are already some examples in the industry, Etihad’s Cargo Payload Rewards and IAG’s Cargo Forward Rewards. They have taken the steps necessary to reward their Cargo agents and Freight Forwarders and with Cargo loyalty, playing a pivotal role in the current situation towards the fortunes of all airlines, we will see more and more airlines moving in this direction.

Loyalty Plus Cargo Solution – Frequent Freighter

LoyaltyPlus has spoken to various airlines, cargo operators and cargo specialist to really understand how best to create a platform that truly rewards the cargo agents and freight forwarders. All these learnings and requirements analysis has helped LoyaltyPlus to upgrade their “loyalty platform” on the passenger side, to now be utilized on the cargo side as well. The cargo loyalty platform will provide the airline with the ability to manage the day-to-day accrual and redemption activities. The platform pre-integrates the CRM functionality that allows the airline to communicate with their cargo agents and to automatically send emails and SMSs when triggered by specified events.

The platform comes with added communications functionality. The communication module includes a Newsletter Manager, a Campaign Manager, Promotion Manager, a Survey Manager and more. The platform also supports a full suite of reports that provides airlines with all the information to make informed operational decisions.

LoyaltyPlus Frequent Freighter functionality diagram

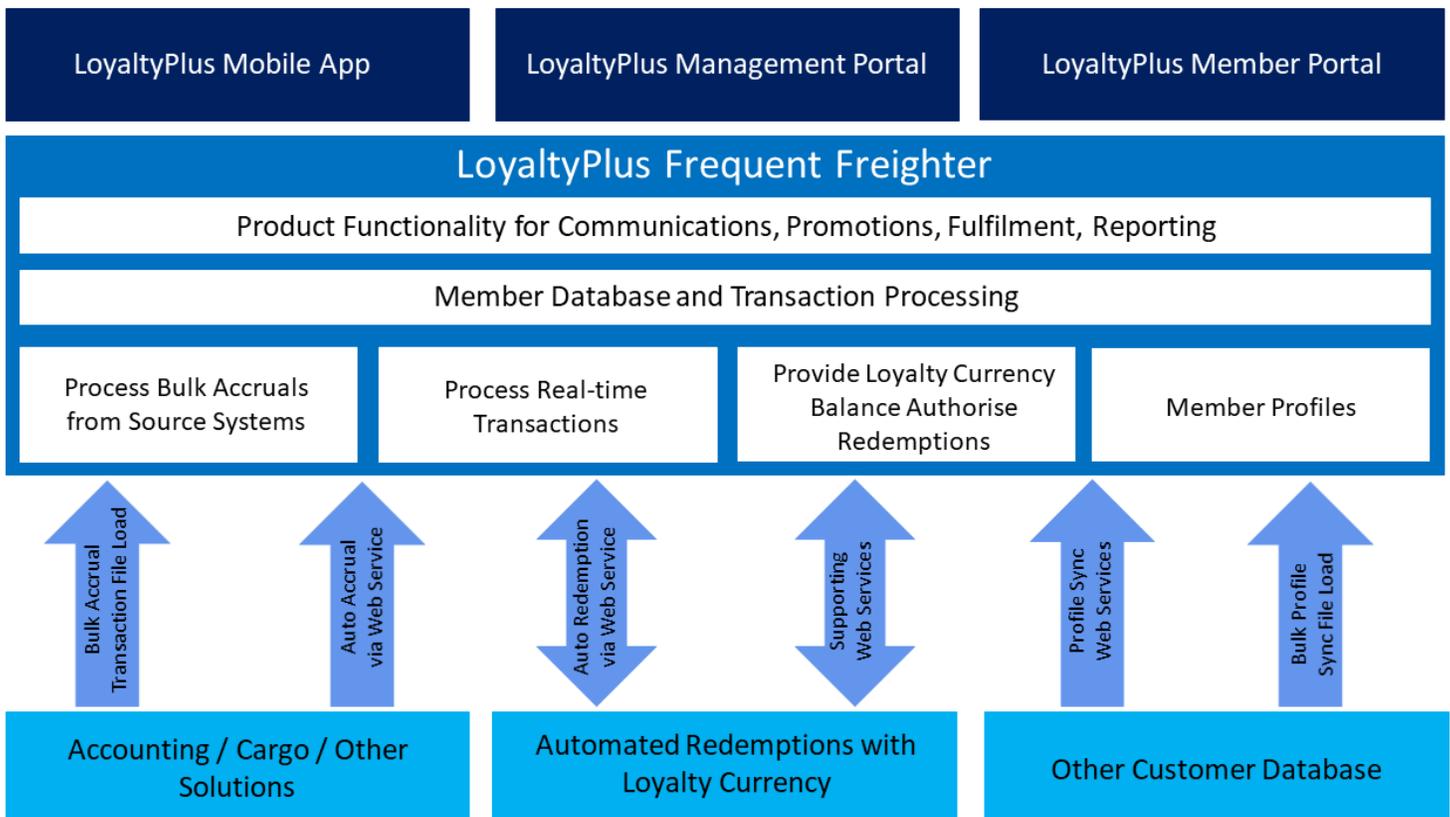


What differentiates LoyaltyPlus Cargo Solution?

LoyaltyPlus's Frequent Freighter solution comes with many enhanced features and functionalities but the points that truly differentiate it from the others are the following:

1. LoyaltyPlus Frequent Freighter is the perfect choice for a rapid and cost-effective implementation, from low-cost carriers to traditional tier one carriers.
2. It is a cloud-based solution that facilitates rapid implementation due to its rules based and parameter driven implementation methodology.
3. LoyaltyPlus offers a set of commercial models that makes it easy and cost effective for a wide range of carriers to engage on a pay for what you use only principal.
4. The LoyaltyPlus Frequent Freighter product is fully integrated with the world renowned LoyaltyPlus Frequent Flyer product.
5. LoyaltyPlus offers a discount should a carrier choose to implement both the Frequent Flyer and Frequent Freighter product together.

High level architecture diagram



Conclusion

As presented in the paper, both the business and leisure travel has been widely restricted throughout 2020 and most of 2021, air cargo has played a crucial role in the movement of goods, with some passenger airlines operating cargo-only flights to help meet demand and some airlines have gone to an extent of converting their passenger planes to carry cargo in the main cabins.

As the global economy recovers from its 2020 slump, air cargo carriers and affiliates will play a critical role in facilitating that rally, allowing businesses to respond to upswings more quickly in demand in the coming years. LoyaltyPlus' Frequent Freighter platform is fully geared to help airlines and their agents to a more rewarding cargo loyalty programme that drives more engagement and creates more transactions resulting in incremental revenue generation.

About LoyaltyPlus

LoyaltyPlus is an independent Customer Relationship Management (CRM) company committed to offering complete client retention through its cutting-edge loyalty programmes and partnerships.

The LoyaltyPlus solutions are a combination of advanced functionalities embedded in the strength of cutting-edge technology and cloud services, along with experience to deliver state-of-the-art solutions to you. We are specialists in the creation of loyalty software solutions, with a focus on the Aviation, Retail and Leisure markets.

Get the Unfair Advantage

- Benefit from over 25 years experience
- We specialise in Loyalty
- Local and International markets
- Superior Functional offering at an Affordable price



Contact us:

LoyaltyPlus is excited take this discussion further with your business, please **contact us** for a full platform demonstration or if you require more information to see how our environment can help you facilitate loyalty in more effective ways.

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LoyaltyPlus Drives Customer Loyalty.