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**Recession Toll: 31.2% Decline in Active Participation in Travel Rewards Programs,  
COLLOQUY Research Shows**

**Adversity Presents Opportunities for Long-term Gains in Industry that Successfully  
Navigated Storms of the Past**

CINCINNATI (July 23, 2009) - Travel industry loyalty marketing and rewards programs have seen a 31.2% decline in active participation since 2007, according to COLLOQUY survey research on U.S. consumer attitudes and perceptions in the recession economy.

Translated, the 31.2% drop means the general population actively participated in 1.5 Travel-related loyalty programs in 2009 compared to 2.18 programs in 2007, when COLLOQUY last completed similar cross-demographic research on loyalty marketing perceptions in the Travel, Financial Services and Retail industries. Overall, consumer participation in rewards programs in the U.S. market has jumped 19% since 2007, COLLOQUY's research shows.

COLLOQUY's latest travel-specific results indicate that customers are consolidating their spend with fewer hotels and fewer airlines as the travel-when-ever-you-want-for-business "bubble" has burst, and Road Warriors no longer are able to earn elite status in multiple programs.

"These numbers shouldn't be daunting to travel loyalty industry pioneers who launched programs in the early 1980s in another acute recession," said COLLOQUY Partner Kelly Hlavinka. "One preferred hotel and one preferred airline, that's how loyalty programs were supposed to work all along. Savvy travel marketers will see the opportunity to lock consolidating Road Warriors into their particular program, knowing they'll emerge in a much stronger competitive position when travel ramps up again."

Another key finding from the COLLOQUY research attests to the importance consumers attach to loyalty programs, despite challenges presented by the worst recession in the post-World War II era. Fully 32.3% of consumers said the recession has made their participation in Retail rewards programs more important. In the Financial Services sector that number was 23.9%. In Travel,



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reflecting corporate mandates to cut travel and entertainment budgets, a slightly lower 21.5% of respondents said rewards programs are more important in the recession economy.

Loyalty marketing programs recognize and reward the best customers of a business. COLLOQUY's data on Travel programs is included in a white paper titled, "After the Meltdown: Consumer Attitudes and Perceptions About Loyalty Programs in the Post-Recession Economy." The paper is available for a free download at [www.colloquy.com/whitepapers](http://www.colloquy.com/whitepapers). Hlavinka and COLLOQUY Editorial Director Rick Ferguson are the authors. A condensed report highlighting Travel rewards findings and insights from the paper is available for a free download at [http://colloquy.com/files/colloquy\\_meltdown\\_travel\\_report.pdf](http://colloquy.com/files/colloquy_meltdown_travel_report.pdf).

Ferguson provided additional analysis: "The disparity between Travel and the other two industries featured in our latest research mirrors the shift in consumer spending away from the travel sector, in which both business and leisure travel have seen cutbacks, and toward retail categories, particularly in the everyday spend categories of grocery and fuel." He added, "In those categories, the opportunity to earn gift certificates and cash-back rewards that allow consumers to stretch their budgets is having a positive impact on program participation."

COLLOQUY's study of loyalty perceptions examined trends in six consumer segments: General Population representing a statistically distributed sample of the U.S. overall; Affluent (heads of household with annual incomes of \$125,000 or greater); Millennials or Young Adults (any respondent 18 to 25 years of age); Seniors (any respondent 60 years or older); Core Women (any female respondent age 25 to 49 with an annual income between \$50,000 and \$125,000); and Emerging Hispanic (any respondent age 21 or older of Hispanic origin with an annual household income of \$40,000 or less). April 2009 online survey respondents are broadly representative of the U.S. population within each consumer segment. COLLOQUY obtained a total of 2,152 completed survey interviews.

**Some other significant results** from COLLOQUY's travel program research are as follows:

- Just 48% of respondents would be disappointed if their Travel rewards program was discontinued, a lower disappointment rate than for any Financial Services or Retail programs;
- The average number of Travel rewards programs to which consumers belong dropped to 2.0 in 2009 from 2.77 in 2007, or 27.8%;
- Affluents, at 67.4%, reported a higher level of participation in Travel reward programs than any other demographic segment.

In one of the survey's most surprising results, Millennials view Travel rewards more favorably than any other demographic segment, with 35% saying Travel rewards are of increased importance in



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the recession economy - significantly higher than the next closest demographic segment, Core Women, at 30.1%.

“Young adults typically have the weakest purchasing power in the Travel category, but they view Travel rewards programs more favorably than any other demographic group,” said Hlavinka. “This finding reveals that loyalty marketers have a once-in-a-lifetime opportunity to demonstrate program value to the next generation of U.S. consumers.”

#### About COLLOQUY

COLLOQUY comprises a collection of publishing, education and research resources devoted to the global loyalty-marketing industry. COLLOQUY® has served the loyalty-marketing industry since 1990 with over 30,000 global subscribers to its magazine and [www.colloquy.com](http://www.colloquy.com) is the most comprehensive loyalty web site in the world. COLLOQUY’s research division develops consumer and B-to-B research studies and white papers including industry-specific reports, sizing studies and insights into the drivers of consumer behavior. COLLOQUY also provides educational services through workshops, webinars and speeches at events throughout the world and is the official loyalty-marketing partner of both the Direct Marketing Association and the Canadian Marketing Association. COLLOQUY also operates The COLLOQUY Network, a global consortium of practitioners certified in COLLOQUY’s proprietary methodology. COLLOQUY magazine subscriptions are available at no cost to qualified persons at [www.colloquy.com](http://www.colloquy.com) or by calling 513-248-9184.



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