

BEHIND THE SCENES OF AEROPLAN'S DISTINCTION PROGRAM

**BEST MEMBER PROGRAM REWARDING FREQUENT BUYERS
AND FLYERS**

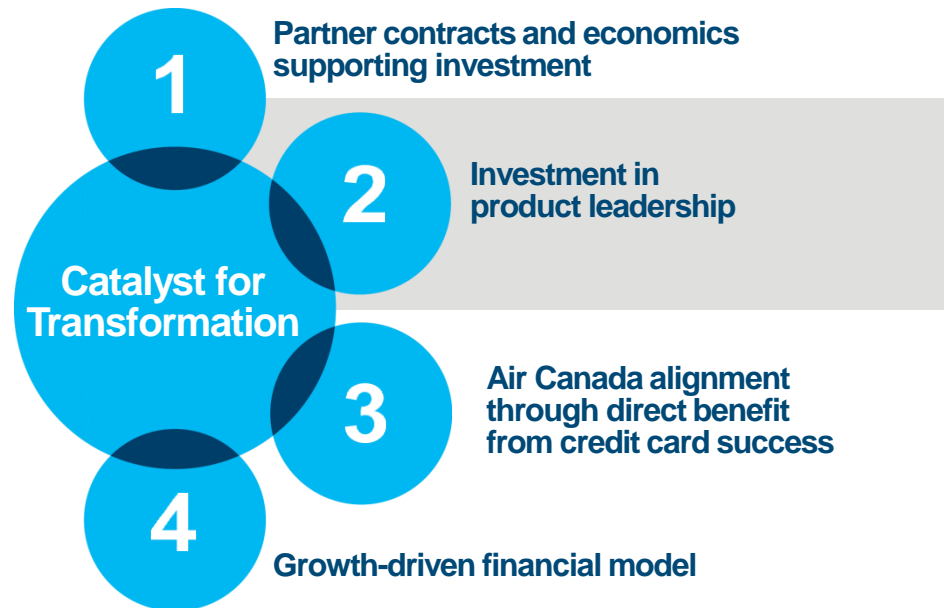
17 FEBRUARY 2014



TODAY'S PRESENTATION

- **Introduction to the Aeroplan 2.0 transformation**
- **Best member program design and launch**
- **Suite product improvements**
- **Member and market reaction**

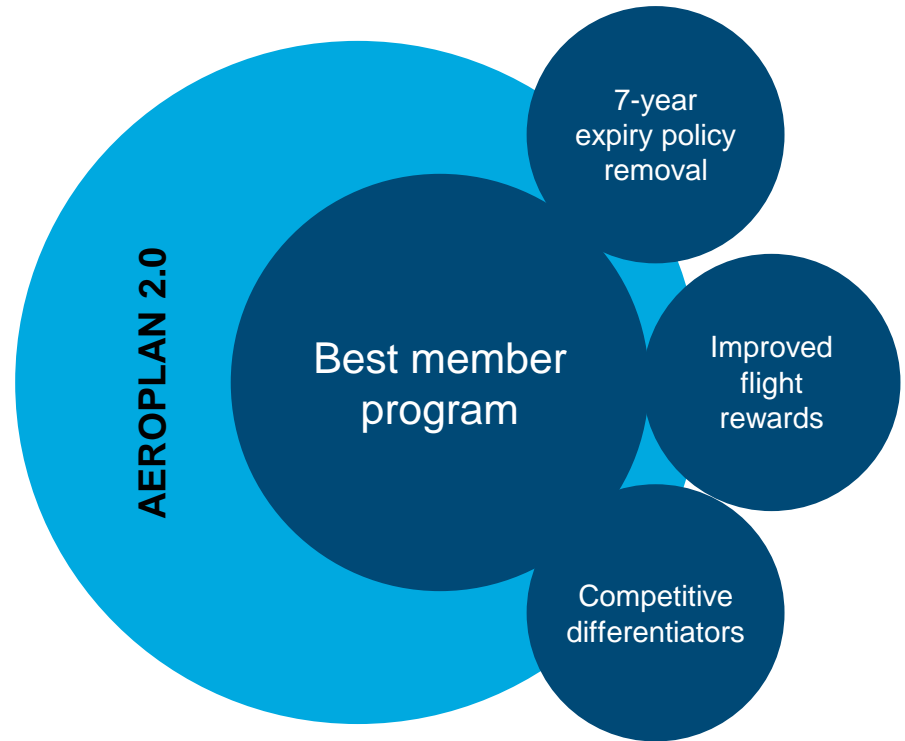
FINANCIAL PARTNER DISCUSSIONS ENABLED TRANSFORMATION TO DELIVER ON MEMBER NEEDS



INVESTMENT IN PRODUCT LEADERSHIP CAME TO LIFE WITH “AEROPLAN 2.0”

VISION

Offer an undisputed market leading product that drives share growth among premium Canadians



AEROPLAN 2.0 DESIGN WAS GROUNDED IN DEEP RESEARCH AND ANALYSIS

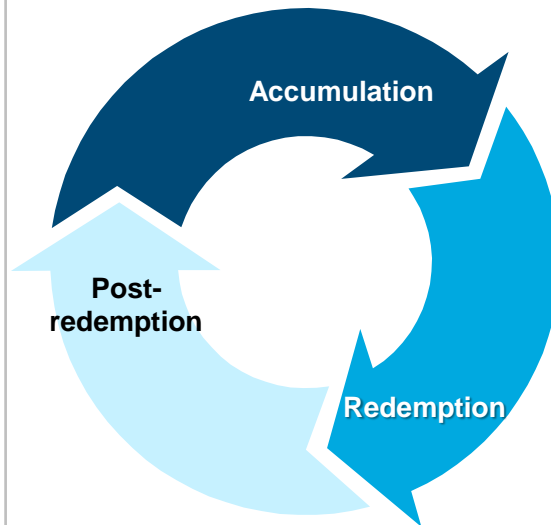
Focus groups	Completed focus groups to gather feedback on product features and grid options developed
Quantitative research	Conducted robust customer assessment of product features, grid options, and high-level needs for a sample of ~3,500 respondents
Rapid ideation sessions	Directly with members and prospects, developed grid structures and prioritized optimal options, including economic assessment
Internal Aimia experts	Completed consumer decision journey sessions and ideations to generate product options for accumulation, engagement and redemption
External experts	Interviewed experts and profiled players for emerging product innovations

MEMBER CENTRIC APPROACH GUIDED OUR 'MARKET LEADING' PRODUCT DESIGN

Began with the end in mind:
driving premium share growth



Focus on fueling accumulation by
throughout member journey



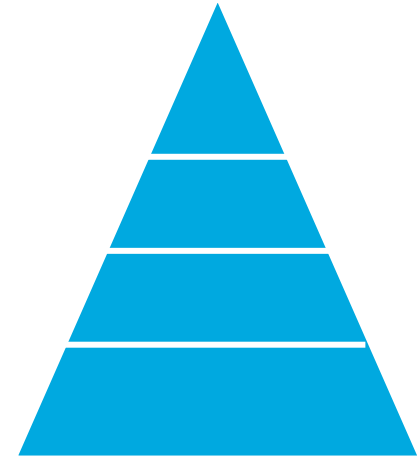
Delivering value through
engagement and satisfaction



COMPELLING RATIONALE TO INVEST IN BEST MEMBER PROGRAM

RECOGNITION AND EXPERIENCE FOR BEST MEMBERS

- Provides management levers to deliver more value and exclusive privileges to best members
 - Reward and recognizes top spenders, not just top flyers
- Captures latent opportunity for trade-up with aspirational targets for members
- Improves cost allocation vis-à-vis most profitable members



CLEAR, TRANSPARENT RULES FOR QUALIFICATION

THE distinction
YOU DESERVE

**INTRODUCING DISTINCTION,
OUR NEW RECOGNITION PROGRAM**

We're excited to reward our top accumulating members with the recognition they deserve. The three levels of the Distinction program offer **exclusive flight reward benefits, bonus mile offers, preferential treatment and privileges, all starting on January 1, 2014.**

**CONGRATULATIONS,
YOU ALREADY QUALIFY
FOR dDIAMOND LEVEL!**

We've been counting since January 1, 2013, and with over 100,000 eligible miles earned so far, you already qualify for our highest Distinction level. We hope you will enjoy the benefits and recognition you deserve.

Your Distinction benefits will enhance your experience as an Aeroplan Member, in addition to the advantages you will continue to enjoy as an Air Canada Altitude member.

THREE LEVELS OF QUALIFICATION

dsilver	EARN 25,000 ELIGIBLE MILES PER CALENDAR YEAR
dblack	EARN 50,000 ELIGIBLE MILES PER CALENDAR YEAR
ddiamond	EARN 100,000 ELIGIBLE MILES PER CALENDAR YEAR

DISCOVER MORE >

QUALIFICATION RULES

- Three tiers based on miles earned across partner network
- Earn sufficient eligible miles to reach Distinction status and enjoy Distinction benefits the following year

QUALIFICATION PERIOD

- Qualification based on calendar year
- First year: started January 1, 2013 and ended December 31, 2013

BENEFITS PERIOD








- Starts January 1, 2014 and ends December 31, 2014
- For future years: benefits begin immediately on qualification and continue through the following calendar year

DISTINCTION BENEFITS BRING TO LIFE DIFFERENTIATION FOR TIER MEMBERS

Published
program
benefits

Perks and
limited time
offers

Enhanced
member
experience at
key touch
points

CATEGORY	FEATURE	dSilver	dBlack	dDiamond
FLIGHT REWARDS	 Reduced mileage levels on Market Fare Flight Rewards	Up to 20%	Up to 25%	Up to 35%
	 Exclusive access to Distinction flights	✓	✓	✓
BONUS MILES	 Air Canada Getaway bonus	500 miles/ eligible roundtrip	1,000 miles/ eligible roundtrip	1,500 miles/ eligible roundtrip
	 Bonuses on hotel stays		250 miles/ stay	250 miles/ stay
	 Bonuses with Aeroplan eStore	2X	2X	3X
PREFERENTIAL TREATMENT AND PRIVILEGES	 Contact Centre call priority			✓
	 Privileges and limited-time offers	✓	✓	✓

AEROPLAN 2.0 ADDRESSES VALUE/AVAILABILITY ISSUE WITH INVESTMENT IN FLIGHT REDEMPTION

INTRODUCING BETTER FLIGHT REWARD VALUE

Our ClassicFlight Rewards remain the most competitive in Canada, offering you great value with Air Canada and the 27 other Star Alliance member airlines at low fixed mileage levels.

As of January 1, 2014, certain mileage levels will increase. [See the full reward chart included for details.](#)

NEW MARKET FARE FLIGHT REWARDS

For options beyond our ClassicFlight Rewards, we've made changes to better suit your needs. As of January 1, 2014, our ClassicPlus Flight Rewards will be replaced by Market Fare Flight Rewards, which will be derived from market fares at time of booking and the conversion of these fares into mileage levels. All members will be able to take advantage of mileage levels reduced by up to 20%, with Distinction members enjoying up to an additional 35% off.

EXAMPLE TRIP: TORONTO-LAS VEGAS	Today's ClassicPlus mileage level*	61,000 miles
	New Market Fare Flight Reward mileage level for all members in 2014	49,300 miles
	dSilver mileage level as of 2014	39,450 miles
	dBlack mileage level as of 2014	36,500 miles
	dDiamond mileage level as of 2014	32,500 miles

*Based on the number of miles required on May 14, 2013, for a Toronto-Las Vegas flight in the Economy cabin with a departure on June 20, 2013, and a return on June 28, 2013.

BETTER ONE-WAY CLASSICFLIGHT REWARDS

Today, one-way flight rewards require 67% of the miles needed for a roundtrip flight reward. As of January 1, 2014, one-way trips will require only 50% of the miles needed for roundtrip flight rewards.

STAY ACTIVE IN PROGRAM AND MILES WILL NEVER EXPIRE



NO MORE 7-YEAR MILEAGE REDEMPTION POLICY

KEEP YOUR MILES AS LONG AS YOU NEED THEM.

[More information*](#)

YOU DESERVE
THE **best**

TAKING AEROPLAN TO THE NEXT LEVEL

[LEARN MORE >](#)



INTRODUCING
DISTINCTION

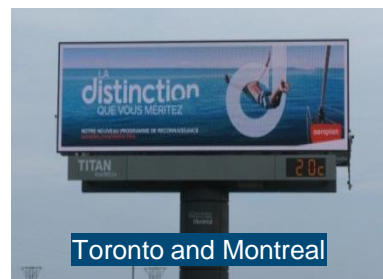


BETTER FLIGHT
REWARD VALUE



CANCELLATION OF THE SEVEN-YEAR
MILEAGE REDEMPTION POLICY

UNPRECEDENTED MARKETPLACE COVERAGE FOR DISTINCTION AND FINANCIAL PARTNER ANNOUNCEMENT

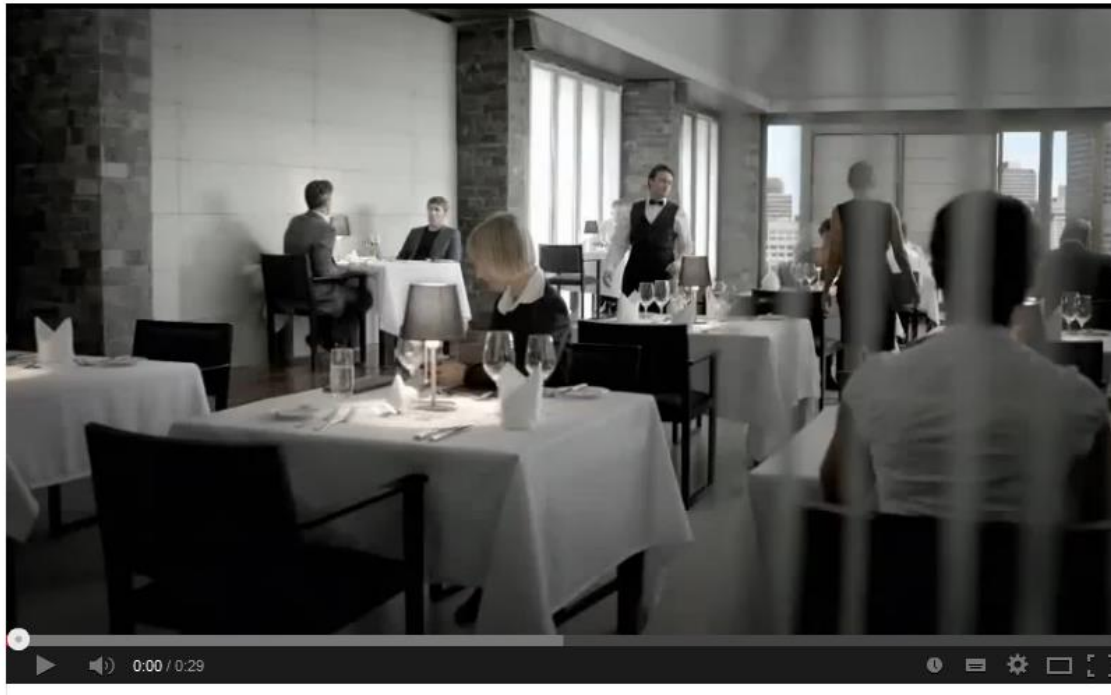


EARLY INSIGHT INTO LESSONS LEARNED

- ▶▶ Break legacy challenge and invest in the program
- ▶▶ Incremental changes are insufficient to move perception; be bold
- ▶▶ Do right for your members... if you don't someone else will

DISTINCTION TV ADVERT

http://www.youtube.com/watch?feature=player_detailpage&v=zkDu6BZBJTY





THANK YOU

Beth Quinton

GM, Strategy and Competitive
Intelligence, Aimia Canada