

Getting SaaSY with airline loyalty

Five ways a flexible cloud platform drives business success for loyalty leaders

A technology guide for business leaders

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Technology should lift, not limit, your loyalty program's success

As an airline loyalty strategist, your information technology (IT) priorities are likely simple: It needs to work effectively, as your needs arise. Your priorities may not go much further than that, and that's okay. But in the post-pandemic travel economy, airline loyalty leaders are in a technology-related bind—and you need to be the one to address it.

Specifically, monolithic IT is getting in the way of the transformation airline strategists need today. "Loyalty programs are scrambling to find the right balance between wooing people back to their airlines ... and giving away too much in a time of unprecedented financial loss," as [Forbes](#) described at the start of 2021. You need to implement new loyalty program designs quickly—without exceeding your budget and without your existing technology infrastructure getting in the way.

This is where a highly configurable cloud-native platform, coupled with a flexible SaaS delivery model, can make all the difference.



Fortunately, you don't need to be a technologist to understand what a SaaS platform can do for your loyalty program. This guide identifies the business opportunities and strategies that a flexible platform can enable and then describes how SaaS can propel those objectives forward. You will discover:

- How SaaS removes financial, technology, and time-related barriers to your program design
- How you can respond to dynamic market changes by bringing loyalty initiatives to market faster
- Opportunities to remove your dependence on IT budgets and timelines
- Capabilities that enable you to continue innovating and quickly integrate new partners to elevate member experiences.

Improvement opportunities in today's loyalty ecosystem

Too many airline loyalty leaders are unable to unlock their programs' full potential due to IT systems and resource limitations. Timely innovation and program design changes that enhance member experiences while boosting airline revenues are the casualties.

In today's world, this is especially problematic. "Everything about the structure of the current airline loyalty programs is based on pre-pandemic behaviors," **Forbes** reports in another article. "Expecting these structures to make sense after the pandemic is risky, and so the programs themselves should change to reflect what post-pandemic loyalty really means."

With most loyalty systems, IT-driven improvements are time consuming, labor intensive, and reactionary. A great and timely idea leads to a raft of internal discussions and budget negotiations for custom IT developments. Too often, the outcome is that legacy systems are unable to support new program design features. This is troubling because it limits airlines' ability to respond to evolving social, cultural, and economic trends and expectations—challenges that could become opportunities with the right agility.



Loyalty, without limits

Now, imagine having no limits on your loyalty program design. Here's what that means: If tomorrow you decide you want six elite tiers instead of four, you can implement that immediately. If you want to create special rewards for certain passengers based on a certain type of behavior—permanently or even temporarily in response to unique market trends—you can implement that quickly and easily as well.

Broadly speaking, you can bring new loyalty ideas to market quickly, with less dependency on IT budgets, manpower resources, and timelines. You can achieve operational flexibility to create promotions, drive more engagement with your program, and avoid being told by your IT team that you have to throttle back or scrap your initiatives. Cloud platforms with configurable SaaS solutions can eliminate the frustrations associated with legacy IT infrastructures.

In addition to providing more flexibility, cloud platform operating costs are a fraction of those associated with on-site infrastructures as they scale to business needs. This way, you don't end up paying for the maximum transaction volume when you're far from using it all. You can also scale down infrastructure costs as you use less, in a nimble and seamless way.

Break from the isolation of on-premise technologies

What's more, cloud-based SaaS solutions allow customers to enjoy effortless and automated platform upgrades. At no cost, the community model enables the pooling of participant ideas for platform improvements and loyalty leaders to benefit from continuous R&D investments in platform architecture enhancements and new features and capabilities. This stands in contrast to the monolithic systems most airlines use today, where both you and your IT teams are stuck trying to grasp new capabilities alone.



Five ways SaaS is driving better loyalty today

This all sounds great in theory, but what are the real business benefits? Here's a closer look at the five key areas where SaaS can help in terms of driving real value within your loyalty initiatives.

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Ongoing loyalty innovation

01

No limits to program design

The travel market is becoming increasingly dynamic, and airlines have access to a wider variety of industry and consumer data that remains underutilized because it quickly becomes outdated. As the underlying priorities of your loyalty members keep changing, you need the ability to configure rapidly and dynamically and scale—up and down—based on that data and your loyalty goals.

Legacy solutions make this difficult because they are essentially limited to the programs for which they were designed. Fundamental changes to loyalty programs take longer to set up and roll out, which limits loyalty strategists' ability to bring things to market in a timely and effective way.

SaaS solutions, on the other hand, are designed with the underlying principle that loyalty programs must be highly configurable. They give your loyalty team agility and control over what you bring to market and when—without traditional IT limitations getting in the way.



02

Quicker time to market

It's worth digging down deeper into SaaS as a rapid delivery system for new loyalty initiatives. You're probably familiar with the long development and deployment cycles associated with legacy systems. There's a conflict there in that you need to balance a degree of certainty related to development turnaround time and market potential before you commit to a new loyalty initiative—a certainty that may evaporate by the time IT is done.

SaaS solutions give business leaders the agility they need, without relying on long IT development cycles. To make this possible, SaaS partners employ lean, agile practices in their product development cycles, providing greater flexibility, availability, and predictability in terms of timing. Loyalty leaders can be certain about exactly what they're getting, and when.



03

Less dependency on IT budgets

Costly IT infrastructure can quickly squash ambitious loyalty programs, snuffing out business opportunities as quickly as they arise. Annual budget pressures also force loyalty strategists to attempt to predict the future and forgo lucrative opportunities as they arise later.

SaaS partners help by instilling greater confidence in loyalty strategists' opportunities—for both the strategists and their executive leadership. That's because SaaS provides economies of scale: Your utilization of IT infrastructure is proportionate to your transacted capacity, so that you only pay for what you consume.

Highly configurable and scalable cloud-based SaaS platforms eliminate recurring CapEx. Platform upgrades are automatically applied for all system users and flexible configuration parameters allow changes to be implemented quickly. What does all this mean for loyalty strategy leaders? It means that your next big idea or your next big competitive response doesn't have to wait for your IT partner's budgeting process to support you.

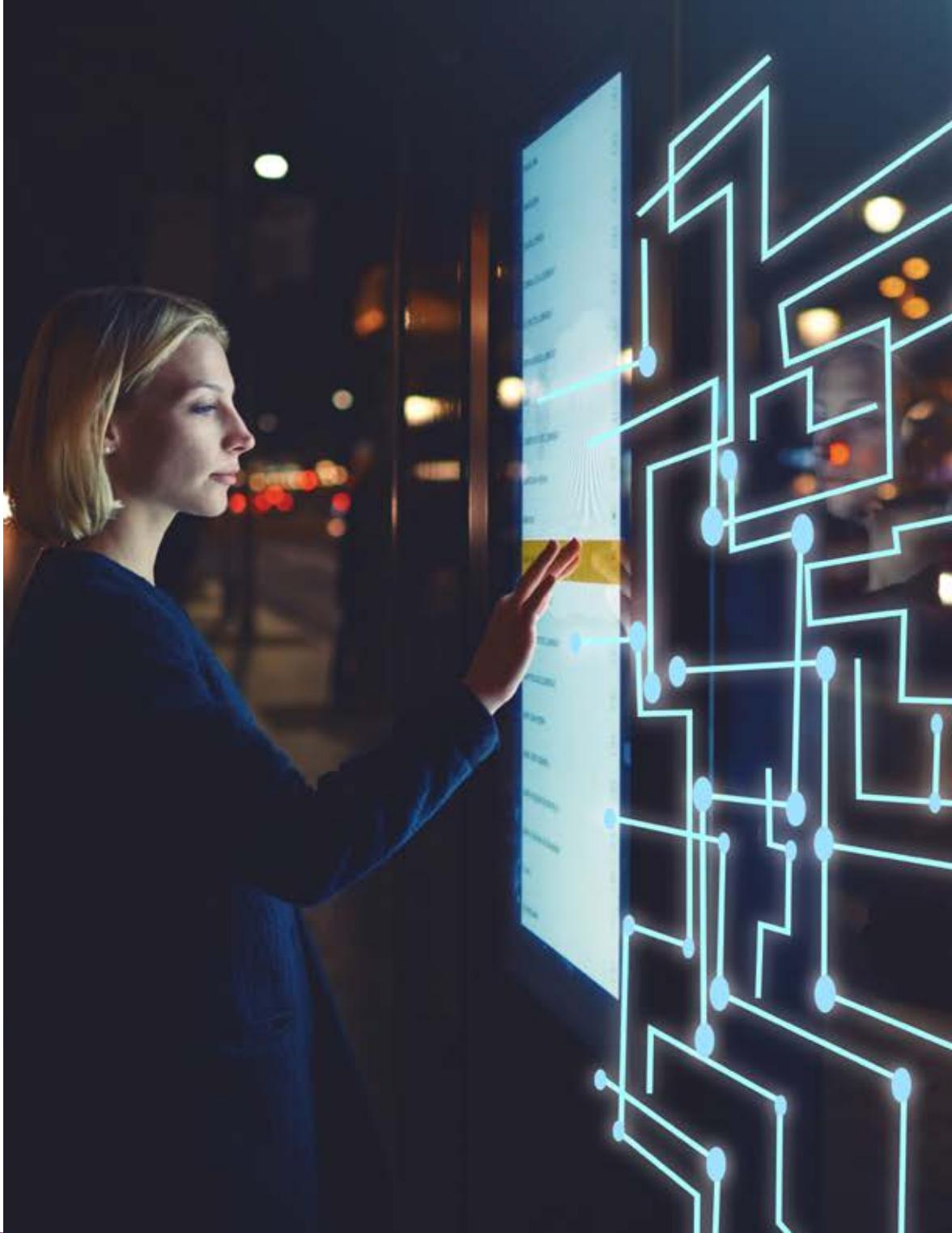


04

Greater flexibility

Cloud-based SaaS platforms enable loyalty leaders to become nimbler and more flexible with promotions through horizontal scalability. They also allow users to integrate new partners much faster, accelerating value delivery to program members. While most infrastructure is aligned with vertical scalability—adding memory and capacity to support existing programs—SaaS can scale horizontally, supporting growth in multiple capacities of airlines' loyalty programs.

For example, an airline could quickly launch new mobile app promotions and scale there as transactions increase dramatically—without scaling up capacity for their websites, where activity remains essentially the same. Scaling this way is cost effective, but only if it is executed using SaaS.



05

Ongoing loyalty innovation

On-premise technologies restrict loyalty innovation, for obvious reasons. On-premise requires static hardware and relatively static software that is often purpose-built for predetermined capabilities. As loyalty strategists look to innovate, adapting and updating those systems is cumbersome. It may take months or years to transform capabilities. Loyalty leaders will often simply hear, "No."

SaaS, on the other hand, enables loyalty strategists to quickly pivot to market changes with minimal strain on, or even interaction with, IT stakeholders. That's because on-premise solutions (even cloud-migrated versus cloud-native solutions) are purpose-built to support a limited number of capabilities. The underlying platforms behind SaaS-native solutions, on the other hand, are specifically designed to support just about any configuration you can imagine.





How the technology works for loyalty

If you believe your role should be laser-focused on your customers and the market—not on the details of your IT infrastructure—then we agree. You should be able to focus on your loyalty goals and initiatives, not the nuts and bolts of your company's technology.

But you still need to know how cloud-based SaaS platforms make this possible. Here are the critical points you should consider and bring to future discussions with your internal IT teams:

- Cloud-native SaaS technology is designed specifically for the cloud and its intrinsic benefits. This stands in contrast to monolithic, on-premise software simply transitioned to the cloud.
- With SaaS, you are using machines that are actually part of a massive set of machines with all sorts of capabilities. You benefit from that available capacity, whether or not you're using it at any given time.
- SaaS vendors partner with leading cloud providers but are often cloud-agnostic, meaning their cloud-native solutions can work with any cloud provider.
- SaaS enables continuous integration and deployment (CIC), replacing cumbersome deployment and release cycles, through DevOps—development teams and operations teams working together to streamline results.
- SaaS enables the strategy and IT sides of the business to become more connected, familiar with each other's goals, and knowledgeable about what's possible.
- SaaS technologies have near-endless potential; however, SaaS vendors themselves often specialize and design solutions for specific industries, including air travel.

Getting started with cloud-native SaaS capabilities

SaaS solutions are long-term investments. But they work within short-term horizons, adding immediate value in terms of loyalty-program possibilities and the relationships between business and IT teams. That's because both can enjoy shifting burdensome responsibilities to SaaS partners as they focus on capabilities and results instead.

About iLoyal

Leading airlines worldwide use IBS Software's iLoyal to power their reward schemes and drive member engagement with their loyalty programs.

Underpinned by a highly configurable SaaS platform, the solution gives airlines the freedom to innovate and quickly deploy new products and services. Thanks to its open and cloud-based platform, iLoyal facilitates partner integration, accelerating value delivery to airline loyalty program members.

Through sophisticated data and analytics capabilities, the platform provides airlines with a 360-degree customer view to personalize relevant offers to their members. Real-time transactions enabled, from search to redemption to fraud prevention, iLoyal's secure platform drives program growth and revenues for the world's top airlines.

Positioning your company for long-term value begins today. Contact us and discover how a winning technology infrastructure can shape your successful future.

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