Behaviour of Loyalty Programs in Times of Uncertainty

Industry research paper

by Global Flight, in cooperation with Vernost

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Executive Summary

The next crisis will not merely test your loyalty program's rewards; it will test your customers' trust.

Companies that treat loyalty purely as a marketing tool risk alienating their most valuable assets when disruption strikes. Conversely, organisations that leverage loyalty as a comprehensive customer relationship platform will recover faster, protect vital revenue streams, and cultivate deeper long-term engagement. While loyalty programs conventionally focus on points accrual, redemption mechanics, partner networks, and status benefits, their true strategic value crystallises during periods of upheaval—when maintaining consumer trust takes precedence over driving immediate transactions.

In a volatile market, every delayed response or missed opportunity cedes a distinct advantage to competitors.

Drawing upon real-world insights from recent geopolitical crises, widespread operational disruptions, industrial actions, and brand-specific emergencies, this paper demonstrates that the most successful loyalty responses share five core characteristics:

- **Rapid Mobilisation:** Swift execution before customer anxiety intensifies.
- **Empathetic and Transparent Communication:** Clear messaging devoid of hidden commercial agendas.
- **Context-Specific Mechanics:** Adapting program rules to match the precise nature and duration of the crisis.
- **Targeted Interventions:** Moving away from broad, one-size-fits-all campaigns in favour of segmented precision.
- **Data Integration:** Blending loyalty metrics with broader CRM and operational data sets.

This research distinguishes between three primary categories of crisis, each requiring a tailored strategic framework:

1. **Global Demand Shocks (e.g., COVID-19):** Where sweeping measures such as status extensions, the suspension of points expiry, and the activation of non-travel partner ecosystems are highly effective.
2. **Geopolitical Disruptions:** Where localized communication, humanitarian initiatives, and selective account interventions are most appropriate.
3. **Operational Crises:** Where direct customer reassurance and passenger-specific, meaningful compensation are critical to reputation management.

The central conclusion of this report is that loyalty programs must evolve into an **integral component of corporate contingency and recovery planning**. Building a resilient framework requires robust customer segmentation, cross-functional data integration, and pre-defined crisis playbooks that can be dynamically adapted to unfolding events.

Who is this report for?

Over the past six years, industry observations reveal a stark contrast in how loyalty brands navigate shifting macroenvironments. While some operators continued with business-as-usual frameworks, others attempted to react but failed to match the severity of the circumstances. This paper outlines the ideal crisis response framework from both operational and customer perspectives, analysing tactical execution and strategic communication.

The era when travel loyalty programs could rely solely on transactional, economic incentives is over. Today, the commercial effectiveness of cultivating genuine emotional attachment and mutual trust is undeniable. In times of systemic uncertainty, this emotional equity becomes a business imperative.

This report is designed to challenge loyalty professionals to reassess their strategic priorities, understand the immense value of rapid-response capabilities, and identify which tactical interventions yield the highest returns.

Specifically, this document serves as a strategic roadmap for travel loyalty executives. It provides the high-level insights necessary to position programs proactively, ensuring brands are fully prepared to protect their customer base before the next disruption occurs.

About this research

The findings in this document are synthesized from direct program communications sent to members, industry-specific case studies, and corporate press updates. Featured loyalty programs include:

- Aegean Airlines: Miles+Bonus
- Coast Hotels: Coast Rewards
- Emirates Airlines: Skywards
- LATAM: Latam Pass
- Lufthansa: Miles & More
- Norwegian Airlines: Norwegian Rewards
- Southwest Airlines: Rapid Rewards
- S7 Airlines: S7 Priority
- TAP Air Portugal: Miles&Go

This research is published by Global Flight, a specialised, Toulouse-based management consultancy dedicated to travel loyalty programs, in cooperation with Vernost, a global B2B technology firm powering platform infrastructures for enterprise digital ecosystems.

About Global Flight

Founded in 1996, Global Flight focuses exclusively on the strategic and operational complexities of travel loyalty. As one of the industry's few independent consultancies, we provide airlines and hospitality brands with immediate, cost-effective expertise. Since 2005, Global Flight has also hosted the industry's premier annual dedicated travel loyalty event, the **Loyalty & Awards** conference (detailed at www.loyalty-and-awards.com).

Our foundational pillars remain unchanged:

- **Comprehensive Insight:** We advise both travel providers and consumer groups, offering an objective, 360-degree view of the loyalty landscape.
- **Bespoke Strategy:** We reject templated frameworks, ensuring each client's unique market position and competitive landscape are thoroughly analysed before delivering recommendations.
- **Absolute Objectivity:** As an independent, privately-owned firm, our strategic guidance remains completely unbiased and technology-agnostic.

www.globalflight.net

About Vernost

Vernost is a leading **global B2B technology company** that designs innovative, unified digital solutions to elevate customer engagement and brand loyalty. Powering next-generation architectures across **loyalty, commerce, travel, and payments technology**, Vernost enables bespoke customer experiences that drive enduring enterprise value. Its robust **global platform infrastructure** connects brands, technology, and consumers through continuous innovation, predictive intelligence, and operational integrity.

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Content

Introduction: The Evolving Role of Loyalty in Crises

The Macro Context and Crisis Typologies

For modern travel brands, the question is not *if* another crisis will occur, but *when*. Following consecutive waves of disruption since 2020—spanning global pandemics, intense geopolitical conflicts, and systemic operational failures—it has become clear that a loyalty program is a company's most vital customer relationship tool. The most resilient programs during these times are not necessarily those offering the most lucrative reward structures, but those that successfully preserve brand trust.

The COVID-19 pandemic caught global institutions, businesses, and consumers entirely unprepared. Due to the prolonged halt in global travel, airline and hotel loyalty programs—historically engineered around long-term behavioural patterns—faced unprecedented disruption.

As it became obvious that travel restrictions would persist for months rather than weeks, operators across the hospitality and aviation sectors systematically introduced relief measures. These interventions were rooted in a fundamental realization: the collapse in member engagement was not a reflection of shifting brand preferences, but a direct consequence of external forces.

This marked a shift from prior historical disruptions. Events such as the 11 September attacks, the 2010 Icelandic volcanic ash cloud, or isolated operational meltdowns (caused by severe weather, IT outages, or industrial strikes) presented relatively brief, contained operational hurdles. The modern landscape challenges loyalty managers to sustain long-term engagement through protracted macro-disruptions.

Since 2020, a succession of regional and global events has forced brands to continually refine their crisis management strategies:

Crisis Event	Strategic Loyalty Impact	Primary Operational Levers
COVID-19 Pandemic *(2020)*	Global demand collapse; programs pivoted entirely to customer retention tools.	Blanket elite status extensions; paused points expiration; lowered qualification thresholds; accelerated non-travel partner earning.
Russia-Ukraine War *(2022)*	Localised disruptions; significant ethical, compliance, and partnership considerations.	Alliance suspensions (e.g., Aeroflot); implementation of humanitarian mileage donation drives; cross-border routing adjustments.
Israel-Iran Conflict *(2026)*	Regionalised travel disruption; premium customer retention focus in critical transit hubs.	Selective status protection; targeted mileage extensions by Gulf carriers; proactive travel insurance interventions.

In this environment, the **capacity for predictive planning** has become a distinct competitive advantage. Because **consumer confidence is fragile**, programs must remain agile and willing to deploy unconventional tactics. **During periods of high anxiety, consumers look for brand reassurance** alongside the preservation of their hard-earned loyalty assets.

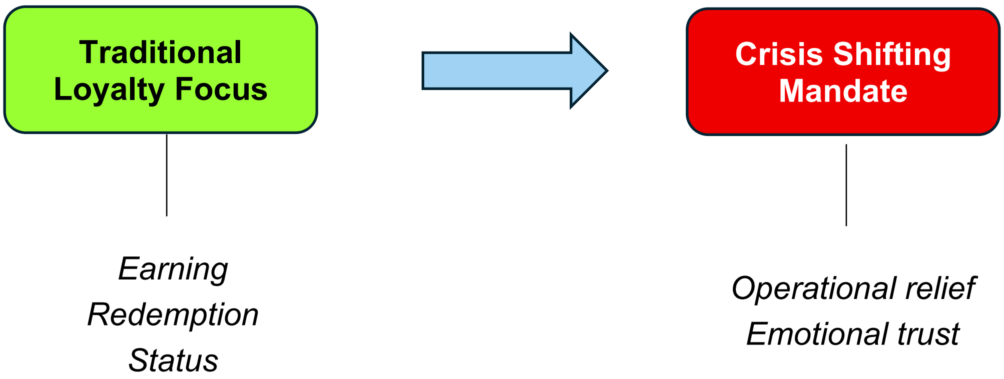
Even hyper-localised events—such as the political unrest in Madagascar in 2025 or border frictions in Southeast Asia—can deeply disrupt regional travel. While these require a smaller operational footprint, the strategic playbook remains identical: rapid deployment, targeted communication, and empathetic account handling.

While most mature travel operators maintain standard communication protocols for predictable operational emergencies (such as accidents), there remains a significant gap in readiness for complex, multi-layered crises. **Loyalty leaders must proactively define their role within the broader corporate crisis framework** before a disruption occurs.

Expanding the Mandate: From Transactions to Relationship Platforms

Traditionally, loyalty operators view their mandate through a narrow lens: transactional stimulation and tier-based recognition. While these represent foundational pillars, they frequently overlook the program's immense potential within a broader CRM context. A loyalty program should not exist solely to capture the next immediate transaction. While its ultimate commercial purpose is to drive high-margin revenue—including through co-branded credit cards and daily retail networks—its deeper objective is to forge long-term emotional ties that withstand market volatility.

When an external crisis disrupts standard travel patterns, loyalty leadership must **shift focus from near-term revenue generation to relationship preservation**. The loyalty business unit is uniquely positioned to lead this effort, as it owns the richest behavioural data set within the enterprise.



During a crisis, communication must balance factual precision with emotional reassurance. For example, if a flight path is abruptly suspended due to regional conflict, the enterprise faces three distinct communication mandates:

1. **Operational:** Informing impacted ticket holders of their rebooking and accommodation options.
2. **Corporate:** Reassuring the broader public that the airline's remaining networks are safe and secure.
3. **Loyalty/CRM:** Identifying members whose travel habits will be suppressed by the disruption and deploying targeted strategies to maintain their emotional connection to the brand.

Communication best practices have evolved significantly to match changing consumer expectations. During the COVID-19 pandemic, successful messaging was deeply empathetic and focused on customer safety and flexibility. In contrast, the onset of the Russia-Ukraine war required a shift toward social responsibility, with leading programs quickly launching platforms allowing members to donate points to humanitarian organisations.

Strategic agility was illustrated during the pandemic by carriers like Qantas, which successfully shifted member engagement toward domestic and non-aviation retail partners, maintaining brand relevance even while aircraft were grounded. Similarly, when the closure of Russian airspace fundamentally altered the business models of carriers like Finnair and airBaltic, these brands used their loyalty channels to transparently communicate corporate restructuring plans, preserving market confidence.

A more recent example from the 2026 Gulf crisis highlights the need for market-specific flexibility. While international travellers questioned the safety of transiting through major Middle Eastern hubs, a primary barrier to booking was that regional travel insurance policies became prohibitively expensive or unavailable. Recognising this threat to demand, carriers like Emirates and Etihad stepped in to directly subsidise and provide comprehensive travel insurance cover for their passengers.

This intervention underlines a key truth: the core issue was an insurance and geopolitical challenge, not a loyalty devaluation. However, the **loyalty framework served as the essential platform to deliver this reassurance to the brand's most valuable segments**.

The Integration Imperative: Why Loyalty Data Alone Fails

Although the loyalty database is often considered the definitive source of customer profile data, it cannot operate effectively in isolation. To execute a sophisticated crisis response, loyalty metrics must be integrated with Passenger Name Record (PNR) data and corporate sales pipelines.

Consider a corporate traveller who flies frequently with an airline but credits their mileage to a global alliance partner program. If that operating airline suffers a major regional disruption and relies strictly on its own database to communicate, it misses a critical segment of high-yield flyers. This gap can be bridged by cross-referencing live PNR data.

Furthermore, ignoring corporate sales insights during an emergency can lead to counterproductive marketing. If a multinational corporation issues a blanket travel ban to a specific region, sending a promotional hotel or flight offer to those employees is a waste of marketing resources and shows a lack of market awareness.

Similarly, following security directives prohibiting certain corporate accounts from flying over specific geopolitical zones, generic promotional targeting will fail to yield returns. Because these corporate policy insights live within B2B sales divisions rather than loyalty marketing teams, organizational silos present a major vulnerability. In periods of stability, these silos cause minor inefficiencies; during a major crisis, they lead to fractured, contradictory messaging that damages customer trust.

Crisis Management in Action: Case Studies & Independent Assessment

When managing recent disruptions, travel loyalty programs have typically deployed a standard suite of tactical levers, primarily focused on elite tier members:

- **Elite status extensions:** Automatically renewing tier status or creating accelerated paths to retain benefits, reducing stress for premium travellers.
- **Points expiry pauses:** Halting standard expiration policies to prevent panic redemptions and protect the program's balance sheet.
- **Targeted accrual promotions:** Introducing high-yield point multipliers to stimulate demand and re-engage dormant accounts as conditions stabilise.
- **Pure informational communication:** Deploying transparent, executive-led updates entirely devoid of direct sales pitches to rebuild brand equity.

However, a historical Assessment of these measures is that they are **often applied too broadly**. Designing a crisis campaign exclusively around elite status benefits holds little relevance for the base members who comprise over 90% of a typical database. When distributed indiscriminately, these messages can highlight travel disruptions to casual consumers who were otherwise unaffected, inadvertently dampening demand.

Conversely, **clear competitive advantages belong to brands that exhibit first-mover agility**. By making rapid, definitive internal decisions, these organisations alleviate pressure on customer contact centres and secure significant consumer goodwill before competitors react.

During the initial lockdowns of March 2020, **Qantas** acted decisively by announcing a blanket 12-month status extension across its entire elite portfolio recognizing early on that international travel was going to grind to a halt. In the hospitality sector, **Hilton** was an early mover, announcing by late March 2020 that points expiration would be paused and that 2019 elite statuses would be secured through to March 2022.

Similarly, following the outbreak of conflict in Ukraine, **Delta Air Lines** took just four days to suspend its marketing and codeshare partnerships with Aeroflot, outpacing the formal, cautious deliberations of global alliance structures. While the immediate financial impact was minor due to collapsing traffic from the Western World to Russia, the swift move sent a clear strategic message regarding the brand's values.

Discussion of representative examples

To glean actionable insights for future playbooks, we examine how specific programs managed distinct crisis scenarios.

TAP Air Portugal (Geopolitical Crisis)

TAP AIR PORTUGAL MILES&GO

Miles

Client ID: Salde:

Context:	Tactical Action:
Outbreak of the Russia-Ukraine war	Rapid deployment of a mileage donation initiative benefiting two major non-governmental organisations (NGOs)

Strategy & Execution

TAP Air Portugal launched a rapid response initiative to channel member solidarity into humanitarian aid. The airline set a target to raise 1 million miles for partner NGOs providing relief to Ukrainian refugees, achieving the goal within four days. These pooled points directly funded charter and scheduled repatriation flights for displaced individuals traveling between Warsaw and Lisbon.

Assessment

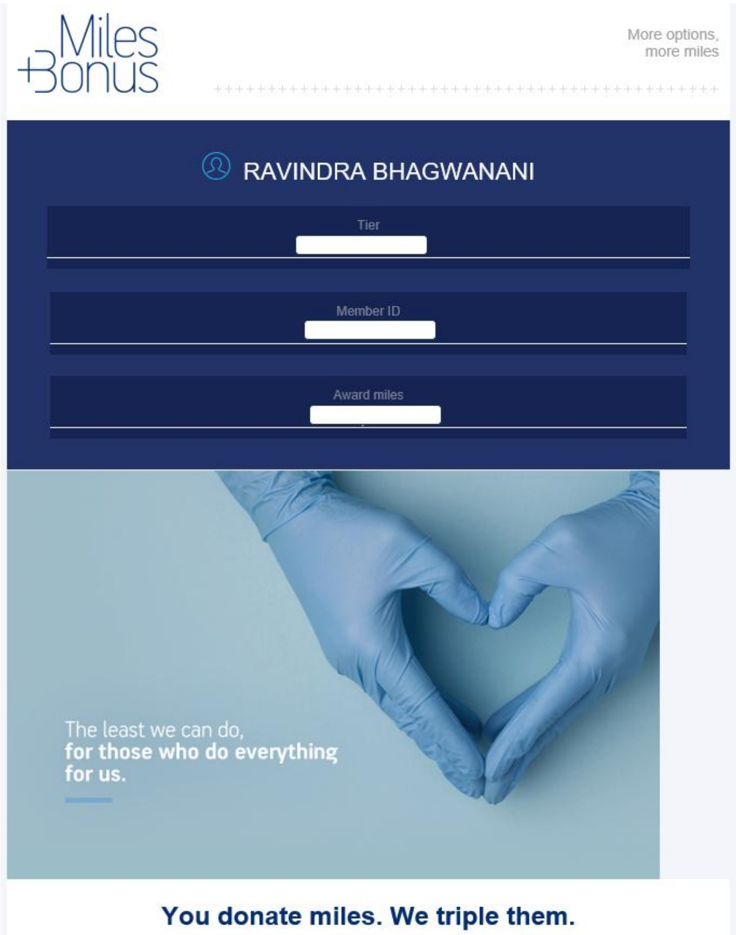
This campaign demonstrates the value of providing alternative, emotionally resonant redemption channels during times of crisis. TAP had minimal operational exposure in

Eastern Europe, making this an agile move to leverage its loyalty infrastructure for social good.

The campaign's visual assets carefully blended the yellow and blue of the Ukrainian flag with a sunset backdrop reminiscent of its core South Atlantic routes, subtly reinforcing its brand identity.

To optimise such initiatives, operators must maintain absolute transparency regarding point conversion mechanics. Members are significantly more likely to donate when they understand exactly how their assets are being deployed (e.g., funding refugee transport versus general administrative overhead).

Aegean Airlines (Global Demand Shock)



Context:	Tactical Action:
Height of the COVID-19 healthcare crisis	A point-matching donation drive to provide complimentary flights to medical professionals

Strategy & Execution

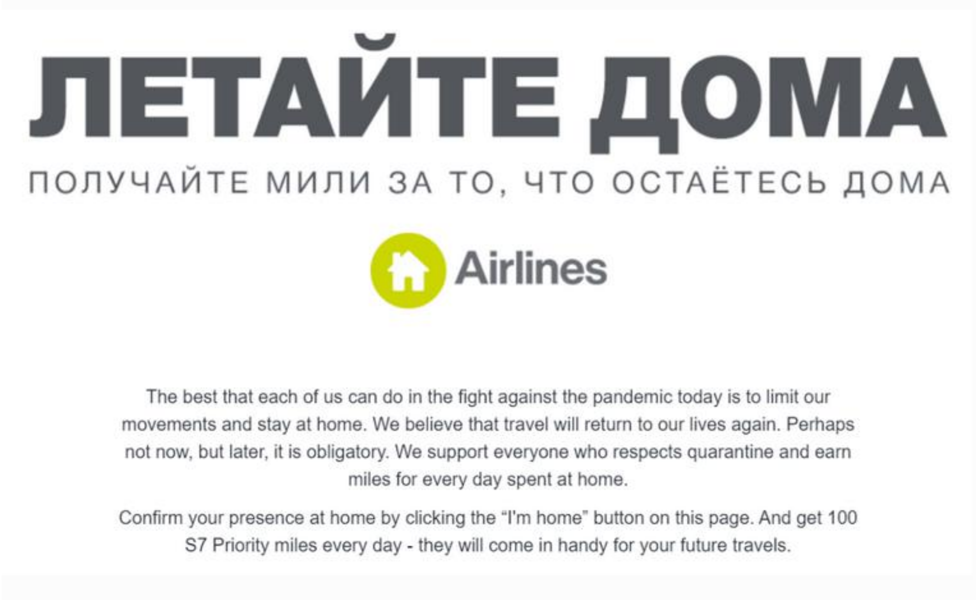
Aegean Airlines launched an initiative targeting its domestic healthcare sector. The carrier invited members to donate miles to fund travel for medical workers, pledging to triple all member contributions. This pool provided healthcare staff with two complimentary domestic flights within Greece for rest and recovery.

Assessment

This strategy tapped into the collective public desire to support frontline workers. Given Greece's unique island geography, domestic aviation links remained operational for essential personnel, making the reward highly practical.

The campaign generated over 60,000 individual donations, demonstrating that during a crisis, members value opportunities to deploy their balances toward meaningful, localized causes.

S7 Airlines (Global Demand Shock)



Context:	**Tactical Action:**
The initial wave of COVID-19 lockdowns	The "I'm Home" [Letayte Doma] digital engagement campaign, rewarding members for remaining under quarantine.

Strategy & Execution

S7 Airlines introduced a campaign that flipped traditional travel marketing on its head: **rewarding consumers for *not* travelling**. Members logged into the airline's digital platform daily and clicked a verification button confirming they were remaining at home. Utilizing IP-based geolocation tracking to verify compliance, the program credited members with 100 miles per day, up to a maximum of 3,000 miles over a 30-day period.

Assessment

This campaign blended corporate social responsibility with effective pipeline marketing. By aligning its brand voice with public safety mandates, S7 maintained daily digital engagement during a period of zero flight activity.

Crucially, the mechanics positioned the airline as the top-of-mind choice for consumers once restrictions lifted, ensuring that returning flyers possessed a meaningful points balance earmarked for their next booking.

Coast Hotels (Regionalised Demand Shock)

Context:	**Tactical Action:**
Regional easing of COVID-19 lockdown restrictions	Humour-driven promotional recovery campaign offering double points and 40% room discounts

Strategy & Execution

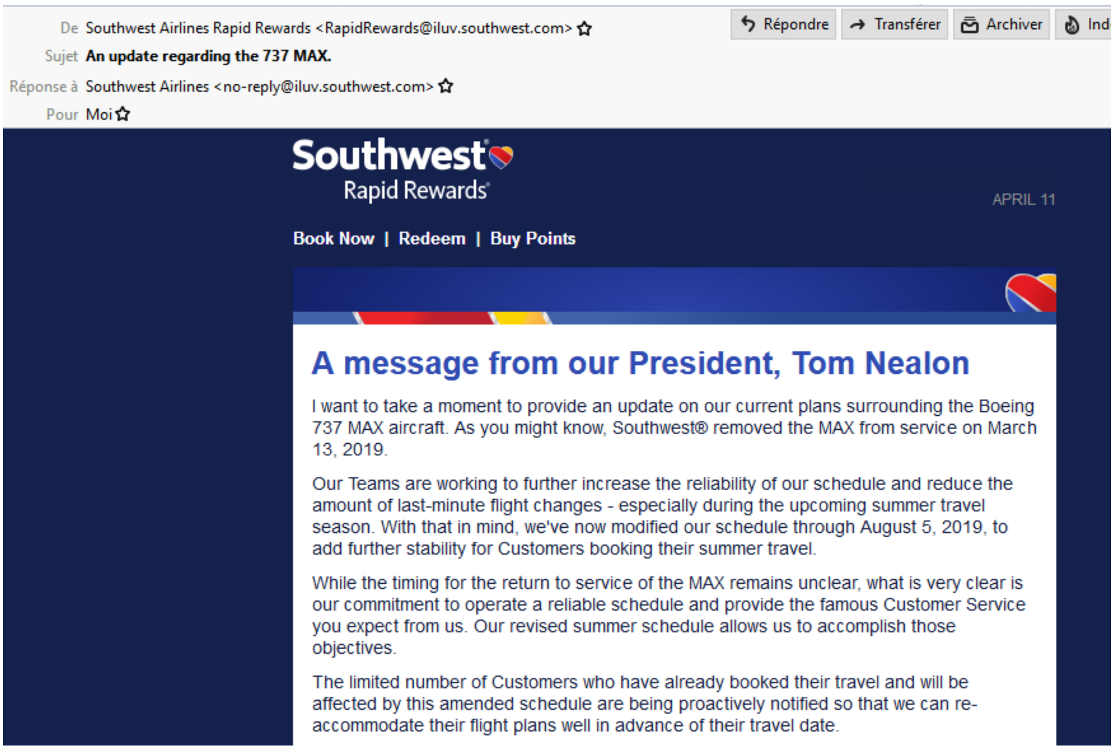
As regional travel restrictions began to ease in Western Canada, Coast Hotels launched a recovery campaign titled, *"Ready to travel further than the grocery store?"* The communication combined steep room discounts with a double-points incentive to stimulate immediate summer staycations.

Assessment

As a regional operator with a property footprint concentrated across Western Canada, Coast Hotels capitalized on its ability to capture drive-to leisure demand when international travel was restricted. While deep discounting impacts near-term margins, the campaign successfully generated the immediate cash flow needed to keep properties operational, avoiding the high costs associated with full property closures and subsequent re-openings.

However, distributing this light-hearted campaign indiscriminately to the entire database involved a strategic risk. For cautious consumer segments who still felt anxious about public health conditions, an humour-infused sales pitch could appear tone-deaf. This highlights the necessity of behavioural segmentation: promotional messaging should be directed toward travel-ready segments, while conservative cohorts receive safety-focused reassurance.

Southwest Airlines (Brand-Specific Operational Crisis)



De Southwest Airlines Rapid Rewards <RapidRewards@iluv.southwest.com>
Sujet **An update regarding the 737 MAX.**
Réponse à Southwest Airlines <no-reply@iluv.southwest.com>
Pour Moi

Répondre | Transférer | Archiver | Ind

Southwest Rapid Rewards

APRIL 11

Book Now | Redeem | Buy Points

A message from our President, Tom Nealon

I want to take a moment to provide an update on our current plans surrounding the Boeing 737 MAX aircraft. As you might know, Southwest® removed the MAX from service on March 13, 2019.

Our Teams are working to further increase the reliability of our schedule and reduce the amount of last-minute flight changes - especially during the upcoming summer travel season. With that in mind, we've now modified our schedule through August 5, 2019, to add further stability for Customers booking their summer travel.

While the timing for the return to service of the MAX remains unclear, what is very clear is our commitment to operate a reliable schedule and provide the famous Customer Service you expect from us. Our revised summer schedule allows us to accomplish those objectives.

The limited number of Customers who have already booked their travel and will be affected by this amended schedule are being proactively notified so that we can re-accommodate their flight plans well in advance of their travel date.

Context:	Tactical Action:
The global regulatory grounding of the Boeing 737 MAX aircraft fleet	Executive-led transparency updates paired with proactive, flexible rebooking guarantees

Strategy & Execution

As one of the world's largest operators of the Boeing 737 MAX, Southwest Airlines faced severe schedule disruptions and public concern regarding aircraft safety following fleet suspensions in 2019. The airline launched a communication strategy featuring direct, transparent updates sent to Rapid Rewards members over the signature of company President of that time, Tom Nealon.

When the aircraft was cleared to return to service, Southwest proactively introduced an automated, flexible change policy allowing anxious passengers to easily rebook away from 737 MAX flights without financial penalty.

Assessment

Southwest’s management demonstrates that issuing direct communication from the executive suite builds credibility and helps restore consumer confidence during a brand-threatening crisis.

The challenge lies in acknowledging valid consumer anxieties without validating unscientific fears. By introducing a self-service rebooking policy, Southwest respected customer sentiment, mitigating potential friction at the gate.

A natural next step for CRM teams would be to integrate these safety preferences directly into member profiles, allowing systems to proactively prioritize alternative aircraft types for highly sensitive flyers during the booking process.

Lufthansa (Isolated Operational Failure)

Frequent Traveller   Lufthansa

Points towards your status

Dear Mr. Bhagwanani,

The past week has involved disruption, uncertainty and additional effort for many of you. We fully understand how challenging it can be when plans can't be carried out as intended. Please accept our apologies for any inconvenience you may have experienced.

Your loyalty to the Lufthansa Group means a great deal to us. For this reason, we've decided to credit you, on a one-off basis, with **35 Points, Qualifying Points and HON Circle Points towards your status.** The Points will be credited to your Miles & More account within the next few days and can be viewed in the Miles & More app or at www.miles-and-more.com.

We continue to monitor current developments closely so that we can respond appropriately in the future.

Context:	**Tactical Action:**
Extensive network-wide flight cancellations stemming from protracted cabin crew strikes in 2026	Unsegmented, low-value points compensation paired with a generic email apology

Global Flight

Strategy & Execution

Following a series of costly labour disputes that disrupted operations for several weeks, Lufthansa issued an apology to its elite tier members. As a gesture of goodwill, the airline credited a flat, one-off bonus of 35 status points (Qualifying/HON Circle Points) to all recipients.

Assessment

While the intent to compensate flyers was appropriate, the results might have suffered due to poor targeting and a lack of proportional value:

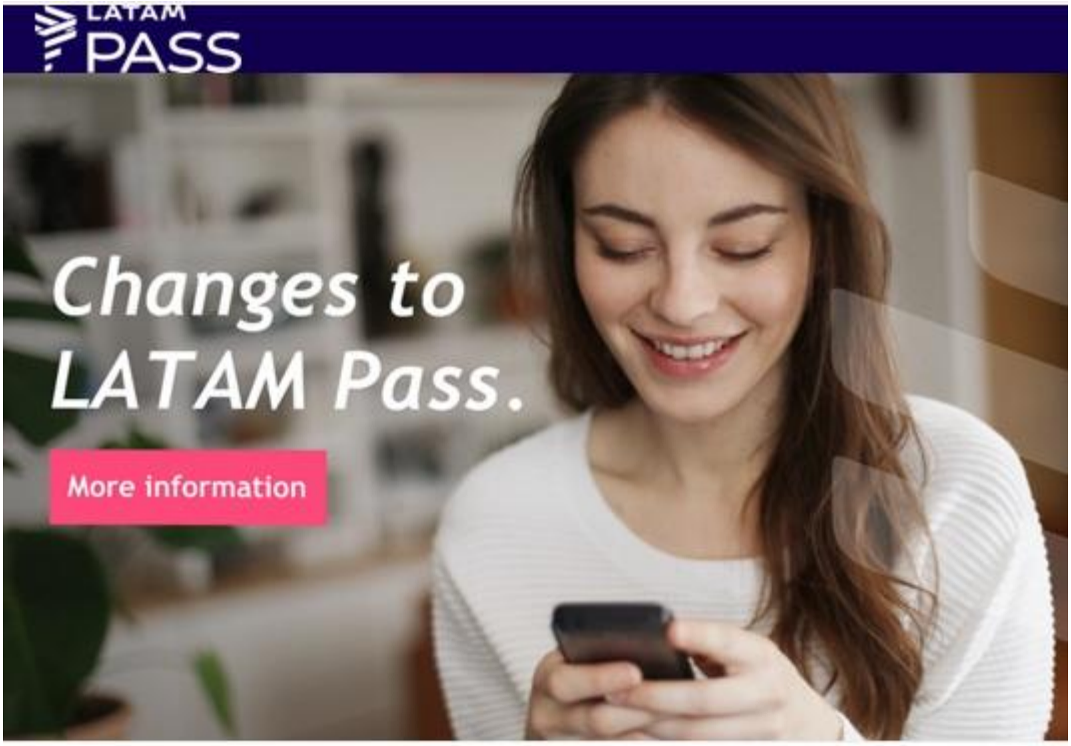
Lufthansa Tier 1 Status Requirement: 650 Points
Lufthansa Tier 2 Status Requirement: 2,000 Points
Lufthansa Economy Class return flight within Europe: 40 Points
Strike Compensation Offer: 35 Points

Inadequate for disrupted passengers
Irrelevant to unaffected members

- **Value Disconnect:** For a high-yield traveller whose business schedule was severely disrupted by cancellations, a 35-point credit—less than the value of a single European economy round-trip flight—felt trivial. For those not affected, the offer was too weak, compared to the tier thresholds, to have any impact.
- **Targeting Failures:** Because the mailing was distributed globally to all tier members without filtering for actual flight disruption, a large number of members who did not travel during the strike received the communication. While the topic was well covered in German news channels, international clients might have even become aware of Lufthansa's labour instability through that communication in first place, potentially damaging future booking intent.

Isolated operational issues should be managed with precision targeting, focusing compensation strictly on impacted PNR holders while leaving unaffected segments undisturbed.

LATAM - Program Changes During COVID



Hello Ravindra,

We hope that you and your family are well. We would like to inform you about some changes to elite benefits when traveling with airlines belonging to the oneworld alliance, of which LATAM Airlines Group is no longer a member, as well as the new benefits that we are offering through our alliance with Delta Air Lines.

Over the past few months and in the context of the unprecedented COVID-19 pandemic, the airline industry has been forced to undergo major changes. Despite this and the fact that LATAM is no longer part of oneworld, we continue to offer the opportunity to earn and redeem LATAM Pass Miles/Points with the majority of oneworld alliance* airlines and to maintain Elite membership benefits through September 30, 2020.

For more information about the benefits changes for Elite members and all the airlines with which we will maintain agreements as of October 1, 2020, visit this link.

Context:	**Tactical Action:**
Just before COVID hit, LATAM engaged on a strategic shift	Business as usual communication style with information with little relevance in the context of global lockdowns

Global Flight

Strategy & Execution

LATAM found itself in the tricky position that it had decided just before the unpredictable COVID crisis to leave the **one**world alliance, in favour of its strengthened relationship with Delta Air Lines. This also resulted in necessary changes to its Latam Pass program.

When the COVID crisis hit, there was no way to suspend this process, and it went through along the initial schedule and the changes set in at a time when they were simply irrelevant given the widely applied lockdowns.

Assessment

While the corresponding communication in spring 2020 made some allusion to the current situation (notably with the opening sentence "We hope that you and your family are well", which is uncommon for such kind of informative mailing), the messaging turned quickly to a tone of business as usual, which did not meet the needs of members at that particular time.

While this situation was exceptional due to its unfortunate timing, some flexibility was missing to adjust better to the context and to ensure to be more relevant to members with the content of its communication.

Norwegian (Financial Crisis)

Hi Ravindra,

The ongoing COVID-19 pandemic has affected the global aviation industry, including Norwegian, in many ways. As a result, Norwegian has entered into an examinership process in Ireland and a reconstruction process in Norway with strict legal requirements that are impacting all aspects of our business. Today, we are announcing some temporary changes to our Norwegian Reward loyalty program.

1. Pausing of Reward program benefits with Norwegian while in reconstruction process
We will be pausing the Norwegian airline-related benefits of our loyalty program. Your membership will remain active, but during this time it will not be possible for you to earn or spend CashPoints or Rewards on Norwegian's products or services (flight tickets, extra baggage etc.). You will still be able to earn CashPoints with our other Reward partners.

2. Following the pause, a potential limit on CashPoint spend
Once the pause has ended, you'll be able to earn and redeem CashPoints and Rewards on Norwegian's products and services, but we will reserve a right to limit the spending of CashPoints as means of payment until the impact of the ongoing pandemic is under control and Norwegian's commercial activities can return to a new normal.

3. An extension of CashPoints and Rewards validity
We recognise that the above changes, as well as the ongoing pandemic and government travel restrictions, may not allow you to earn and spend your CashPoints and Rewards as you would normally. With this in mind, we will be giving all members with CashPoints due to expire on 31 December 2021 the opportunity to extend the validity of those CashPoints by one full year. You will receive more information about this.

The expiration of Rewards has been paused since last year, as well as the number of flights needed to qualify for Rewards adjusted, and this will continue until further notice.

Norwegian Reward is a transparent customer loyalty program, and we will be keeping it that way. We will not be devaluing CashPoints (1 CashPoint still equals 1 Norwegian Krone), and we aim to reopen the airline benefits with our award-winning program as soon as the reconstruction and examinership processes, and the COVID-19 situation allow it. That said, we do understand that these temporary changes may affect the way you would like to use our loyalty program, and we apologise for any inconvenience caused.

Context:	Tactical Action:
Long-term capacity reductions compounded by the COVID-19 pandemic	Sudden, unannounced suspension of all points accrual and redemption capabilities

Strategy & Execution

Facing acute insolvency risks during the pandemic, Norwegian underwent a structural corporate reorganization, drastically scaling back its international network. Because its CashPoints currency functioned effectively as cash-equivalent credits on flights, the airline faced a potential run on the bank. To preserve liquidity, management took the step of freezing the Norwegian Reward program, preventing members from redeeming accumulated points for over six months.

Assessment

While freezing redemptions protected short-term cash reserves, it severely damaged long-term customer trust. Freezing asset values without advance notice undermines the foundational promise of a loyalty program. This impact was worsened by the fact that the notification was sent as a generic corporate update without executive leadership signature, which could have added understanding for Norwegian's challenges.

[2019] ──► 36M Passengers | 156 Aircraft
[2021] ──► Loyalty Program Frozen for 6+ Months
[2025] ──► 23M Passengers | 95 Aircraft (Long-Haul Terminated)

The long-term effects of this decision remain visible, although certainly not all can be reduced to the loyalty topic alone. By 2025, Norwegian's passenger volumes remained depressed at 23 million, down from 36 million in 2019, and its fleet contracted from 156 to 95 aircraft. While competitor SAS approached near-complete traffic recovery over the same period (struggling on its turn from the consequences of the closure of the Russian airspace), Norwegian struggled to regain momentum, notably outside its core Nordic markets.

While the freeze helped ensure near-term survival, the severe erosion of customer goodwill made market recovery challenging. This underlines why loyalty strategies must always look past short-term financial relief to carefully weigh medium-term reputational risks.

Emirates (Regional Geopolitical Shock)

Context:	Tactical Action:
Flight path disruptions and airspace closures during the 2026 Gulf crisis	Status extensions paired with accelerated elite points promotions.

Strategy & Execution

When escalating regional conflicts caused brief airspace closures in the Middle East, Emirates responded by offering immediate status extensions and high-yield tier-points promotions to fast-track elite qualification.

Assessment

This response was effective for regional frequent flyers who regularly travel out of Dubai. However, for the crucial long-haul 6th freedom market transiting through Middle Eastern hubs, status promotions alone were insufficient to address underlying safety concerns.

This scenario highlights the limitation of using generic promotional tools to solve complex geopolitical challenges. For non-regional flyers, business-as-usual marketing can obscure the tailored operational solutions—such as the airline's provision of comprehensive travel insurance—that are more effective at addressing customer concerns.

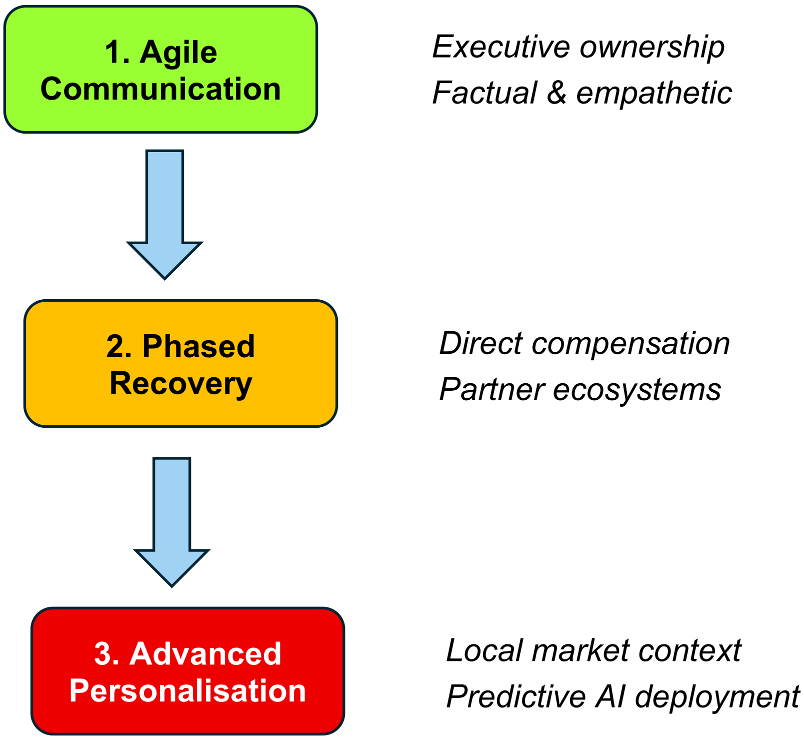
The Strategic Playbook: Lessons for the Next Disruption

The next crisis won't test your loyalty program's rewards. It will test your customers' trust.

To build operational resilience, customer-centric enterprises must incorporate loyalty frameworks directly into corporate contingency playbooks. When disruption occurs, preserved trust directly influences future revenue streams.

Program adjustments should be structured across three key pillars:

The Crisis Playbook Architecture



1. Agile and Controlled Communication

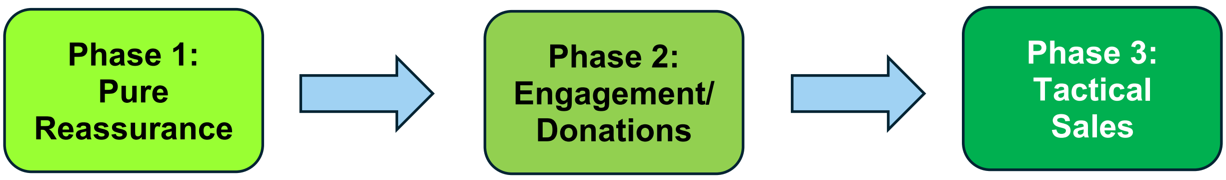
When a crisis hits, brands must move quickly to control the narrative, preventing social media speculation from defining the company's response.

All such communication needs to apply the following crisis communication principles:

- **Executive Ownership:** Messages addressing critical safety, financial, or systemic operational issues must come directly from senior leadership to maximize credibility.
- **The Three-Question Framework:** Every crisis communication must clearly answer:
  1. *What exactly has occurred?*
  2. *What concrete steps is the organization taking to resolve it?*
  3. *What are the direct implications for my individual account and bookings?*
- **Cross-Functional Alignment:** Loyalty teams must coordinate closely with corporate communications and PR to ensure that messages sent to program members align with updates shared with the broader public.

2. Phased Recovery Campaigns

Once a crisis is contained, focus must shift to rebuilding demand, with loyalty members serving as the primary demographic for recovery campaigns. Depending on the nature of the crisis, the focus might be put more on certain phases or some of them might even be skipped altogether.



In each phase, the following principles need to apply:

- **Proportional economics:** Compensation must match the level of (perceived) customer inconvenience. Low-value points credits distributed during major disruptions can frustrate customers.
- **Phased deployment:** For ongoing or complex disruptions, marketing strategy should adapt over time and not limit to one-time shots.
- **Leveraging partner networks:** When core operations are limited, loyalty teams should shift member engagement toward retail, grocery, and financial partners, keeping the program's currency useful and active.

3. Advanced Personalisation and Segmentation

Broad, unsegmented email blasts are inefficient during stable periods and can be harmful during a crisis. A classroom example here is Qantas' 2025 data breach, affecting 6 million of its more than 18 million Frequent Flyer members. From the messages sent out by Qantas, it was hardly understandable whether the addressee belonged to the 6 million members or to the remaining 12+ million members. The result was that all 18 million members did feel concerned and worried, and the topic got coverage at a global level.

Based on an initial **segmentation matrix**, some factors are needed here in order to be able to design the right offer for each of the numerous sub-segments:

- **Understanding the local market context:** Operational disruptions often dominate headlines in home markets while receiving minimal coverage abroad. Brands should segment messaging to address high-anxiety markets directly, avoiding unnecessary, alarming updates to international members who are unaffected.
- **Predictive AI deployment:** Operators should leverage predictive AI and advanced CRM platforms to tailor responses in real time. AI tooling can analyse customer segments to recommend appropriate communication tones and compensation structures, enabling rapid deployment when time is critical.

The varying outcomes across recent case studies show that **many loyalty programs have room to mature in their personalisation strategies**. By treating loyalty as a core relationship management platform rather than a simple promotional tool, brands can build the customer trust necessary to navigate future market uncertainties.

Research Methodology & Limitations

Research Methodology

This white paper presents an independent qualitative analysis of how select travel loyalty programs have responded to periods of significant market disruption, with particular emphasis on customer engagement, trust preservation and loyalty program management.

The research has been developed through a structured review of publicly available information, including loyalty program communications, official company announcements, customer communications, corporate websites, industry publications, media reports and other credible public sources available at the time of writing. Where appropriate, the research has also been informed by the professional expertise, industry knowledge and practical experience of Global Flight and Vernost in the fields of loyalty strategy, customer engagement, digital commerce and loyalty technology.

Representative case studies have been selected to illustrate a broad spectrum of responses across different types of disruption, including global health emergencies, geopolitical conflicts, operational disruptions and company-specific events. The selected examples are intended to demonstrate strategic approaches, highlight observed practices and stimulate industry discussion rather than provide an exhaustive review of all loyalty programs or all crisis events.

The analysis focuses on identifying recurring themes, strategic patterns and practical lessons that may assist organisations in strengthening their preparedness, resilience and customer relationship strategies during periods of uncertainty.

Scope of the Research

The research examines loyalty programs within the travel industry, including airlines and hotel groups, although many of the observations and strategic principles may be relevant to loyalty programs in other sectors.

The paper considers customer engagement from the perspective of loyalty program management rather than broader corporate crisis management, operational response or financial performance. Consequently, the discussion focuses on loyalty strategy, communication, customer trust and program design rather than evaluating the overall commercial or operational effectiveness of the organisations concerned.

Research Limitations

This publication is based on information that was publicly available at the time of publication, completed by information shared by program operators for the purpose of compiling this paper. Beyond that, the authors have not used any confidential internal data, proprietary customer analytics, commercial agreements, board deliberations or non-public strategic decision-making processes of the organisations referenced.

The findings should therefore be interpreted as informed professional observations rather than definitive assessments of organisational intent or internal decision-making.

Examples presented throughout the paper are intended to be illustrative rather than statistically representative. The inclusion or exclusion of any organisation, loyalty program or event should not be interpreted as an indication of relative performance, effectiveness or industry ranking.

As customer behaviour, market dynamics, geopolitical developments, regulatory environments and loyalty program structures continue to evolve, some observations and conclusions may change over time. Readers are encouraged to consider the research within the context of the publication date and their own organisational circumstances.

Objectivity and Independence

Global Flight and Vernost have conducted this research with the objective of contributing constructively to industry knowledge and professional dialogue. The paper is intended to encourage discussion, critical thinking and the sharing of best practices within the global loyalty industry.

All assessments have been made independently and in good faith based on the information available to the authors at the time of publication. The research does not seek endorse, evaluate or to criticise any individual organisation, nor should any omission or inclusion be interpreted as a judgement of an organisation's overall performance, policies or capabilities.

The strategic frameworks, recommendations and observations presented throughout this publication are intended as general guidance and thought leadership. Their applicability will vary according to each organisation's business model, customer base, regulatory environment, geographic markets and strategic objectives. Organisations should exercise their own professional judgement when considering the implementation of any practices discussed in this report.

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