

Finding the Right Balance in the Partnership Strategy

Industry research paper

by Global Flight, in cooperation with Vernost



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Executive Summary

This research paper examines the strategic evolution of partnership models within travel loyalty programs, evaluating the core purpose of a loyalty initiative and the evolving role that commercial partnerships play within it.

The central conclusion of this report is that loyalty program strategies are undergoing a fundamental transformation. While historically designed to drive indirect core revenue – principally by increasing flight or stay frequency and capturing greater share-of-wallet – modern programs increasingly prioritise direct revenue generation by selling program currency to third-party partners.

While the substantial financial contributions of bank partnerships remain undeniable, leading loyalty operators are pioneering a refreshed vision. This emerging paradigm prioritises the long-term engagement potential of strategic tie-ups. Such engagement-driven partnerships often possess far greater potential to fulfil the primary mandate of any loyalty program: fostering genuine brand affinity and driving direct top-line revenue for the parent company.

This report analyses prevailing market partnership strategies, evaluates the limitations of financial partnerships, and outlines a framework for achieving a sustainable strategic balance.

Who is this report for?

This document serves as a strategic roadmap for senior travel loyalty executives, and partnership managers. It provides high-level market intelligence and actionable frameworks to help leadership teams position partnership portfolios strategically, ensuring immediate commercial gains do not compromise long-term brand equity.

This report is designed to challenge loyalty professionals to reconsider their approach in the partnership area and to learn about its potential consequences in a mid to long term.

About this research

The findings in this report synthesize direct member communications, industry case studies and corporate press updates with proprietary insights derived from Global Flight's advisory engagements without revealing any confidential information though.

Published by Global Flight, an independent, Toulouse-based management consultancy specialising in travel loyalty, in collaboration with Vernost, a global B2B technology provider powering platform infrastructure for enterprise digital ecosystems.

Previous industry research papers:

July 2026: Behaviour of Loyalty Programs in Times of Uncertainty

All publications can be accessed on the [Global Flight website](#).

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.

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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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Introduction:

Strategic Purposes of Loyalty Program partnerships

Just months after its launch in May 1981, American Airlines' AAdvantage introduced its first non-air partners, Hertz and Hyatt. By aligning with complementary travel brands, AAdvantage established a rudimentary travel ecosystem that expanded the utility of the program while supporting its partners' commercial growth. At the time, such non-air partners rarely operated proprietary loyalty initiatives.

Throughout the 1980s and 1990s, Frequent Flyer Programs (FFPs) adhered closely to this complementary model. However, lacking modern technological infrastructure, these early arrangements remained static and failed to leverage customer relationship management (CRM) capabilities. Furthermore, quantifying return on investment (ROI) was difficult for partners, leading large non-air entities to participate indiscriminately across dozens of programs to maximise market reach.

Over the past three decades, partnerships have expanded into diverse commercial verticals, anchored by the high perceived value of established loyalty currencies. Regional programs have successfully captured market share by offering highly targeted, demographically relevant audiences to local commercial partners. Simultaneously, as partner brands have launched their own loyalty initiatives, third-party partnerships now compete directly with internal programs, placing partnership ROI under far greater scrutiny.

Notably, hotel chains have transitioned from passive partners to sophisticated loyalty operators. Today, the global landscape features approximately 230 airline FFPs and over 180 hotel loyalty programs operated by hotel groups of all sizes, but even by individual hotels, too.

From an operator's perspective, different characters of goals have emerged, which are typically all pursued in parallel with a corresponding partner network. Specific partnerships may not tick all boxes though, depending on the type of the partner, its geographical exposure, the overlap between both customer bases and other particularities.

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These goals can be summarised as follows:



➤ **Enhancing Program Attractiveness/Utility**

Expanding earn and/or redemption touchpoints drives ongoing engagement. Compared to other industries, this is particularly important in the travel sector where baseline customer interactions are sporadic with a specific provider, often only once or twice a year.

➤ **Generating High-Margin or High-Volume Revenue**

Programs quickly learned to capitalise on currency demand by selling points to partners at healthy margins. While these margins have compressed over time, high-volume financial partnerships — comprising co-branded credit cards and bank point transfer conversion models — have transformed revenue streams and elevated partnership commerciality.

Typical Accrual Split in Airline Loyalty Programs

Accrual category	Small programs	Mid-sized programs	Large programs
Airlines	70-100%	50-80%	40-60%
Financial partners	0-20%	10-40%	20-55%
Other partners	0-20%	5-15%	3-10%

(Source: Global Flight property experience data)

Many large airline loyalty programs generate now over 50% of miles/points in circulation with activities other than with the program operator, with financial institutions accounting for more than 80% of that non-core figure, resulting in corresponding revenue streams. While such trend started in markets with a strong

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affinity to the concept of Frequent Flyer Programs, such as the US or Australia, it has expanded globally across markets of all sizes. Conversely, the hospitality sector remains more conservative, with earn activities on the core hotel brand still dominating the industry, although some of the largest hotel groups like Marriott, IHG, Hilton or Accor are getting more and more active in financial partnerships.

As it will be discussed later in the paper, this goal has become a contradiction to the overall objective of loyalty programs in many cases, defined as increasing the revenue figure for the parent company.

➤ **Acquiring New Target Audiences**

Certain partnerships serve also as acquisition engines. Examples include:

Deepened Airline Program-Hotel Partnerships

Over the last couple of years, such enhanced partnerships have emerged around three leading global hotel groups, Accor, IHG and Marriott. While arrangements like Accor/Air France-KLM or Marriott/United focus on elevating program utility, partnerships such as Accor/Azul or IHG/Japan Airlines successfully recruit new members in regional markets. By focusing on elite tier members, both sides ensure they target individuals with proven spend potential.

Point Transfer Partnerships

Many non-air programs maintain large customer bases but often lack aspirational awards, something travel loyalty programs do provide per definition.

Point conversion partnerships with travel programs resolve award liquidity challenges for non-air partners at a calculable cost, while granting access to new customer segments for travel loyalty programs. Depending on the company, the overlap can though be limited, meaning that such partnerships need to be well selected from both sides to deliver the desired results.

Revolut is a good example in this context: The company targets new, rather young, customer segments, which are often difficult to recruit/identify for established travel loyalty programs.

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Everyday/Recurring Spending Partners

Infrequent travellers often feel excluded by traditional "frequent traveller" branding and strict point expiration policies. Integrating daily spending partner categories to the program — such as payment partners, supermarkets, fuel stations, utilities, telecommunications operators and others — helps recruit new members, primarily among the existing client bases.

Except for financial partners, these networks are though limited to the home market of the airline and a maximum of one or two additional foreign key markets, since the efforts to establish and manage such partnerships would hardly be justified elsewhere in view of a low overall transaction volume.

Destination Partners

Collaborating with activity aggregators (e.g., GetYourGuide, Airbnb Experiences) or local tourism boards (e.g., Passtination working with Aegean Airlines) may help to capture leisure travel spend at the destination level, tailoring the loyalty proposition to non-traditional travel patterns.

➤ **Enriching CRM Capabilities**

Integrating enterprise CRM engines transforms legacy "earn-and-burn" structures into dynamic retention engines. Moving beyond static demographic filters (age, residency, job title), modern CRM targeting leverages real-time behavioural signals and predictive modelling to deploy hyper-personalised offers for cross-selling, upselling, share-of-wallet growth, and targeted re-engagement.

In best management practices, a CRM operates as a strategic engine rather than a back-office tool, using loyalty program transactions as major, but not sole, data input.

➤ **Managing Award Capacity**

Historically, many travel loyalty programs have shown limited interest in redemption-only partnerships, and in some cases have not even offered redemption options through partners with which they already have accrual relationships. This can largely be explained by a simple economic rationale: in-house rewards offered by travel companies already carry significant aspirational value, while third-party rewards effectively represent a cash-out of the program's liability.

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Furthermore, early liability management practices within many of these programs did not always reflect state-of-the-art accounting principles, making the funding and financial treatment of such awards particularly challenging.

Today, third-party redemption options act as dynamic capacity managers. As accrual networks outpace seat/room redemption capacities, programs offload excess points to external partners to balance liabilities and maintain engagement without exhausting valuable primary seat/room inventory. While redemption-only partnerships (such as charity donations) remain an exception, co-funding redemption offers with existing earn partners balance redemption costs against accrual revenue without creating net cash outflows. Furthermore, in-house "Cash & Points" solutions offer lower point-balance awards at a lower operational cost to the operator.

Immediate vs Deferred Revenue: Applying the CFO or CMO Perspective?

Loyalty leadership faces an operational divide: balancing immediate direct financial returns against long-term, deferred core business growth.

The mission of loyalty programs is to increase revenues for the operating company. Historically, there was little ambiguity about how to achieve this: by creating loyal customers and maximising the sales revenue with the company over their lifetime cycle. With the proliferation of partner networks, an alternative method appeared though. Much more immediate revenue could indeed be generated by selling the currency to program partners, the more the better.

While selling currency to commercial partners provides immediate, highly visible top-line income for CFO reporting, the indirect value generated by brand remains less tangible, requires more effort and carries a risk of not being realised at all.

There is though common sense that the potential for indirect revenue is much larger: for example, if a loyalty program manages to influence a member to buy just one additional 500 USD Economy Class ticket per year, that same member would need to earn 50,000 miles through commercial partners (assuming a wholesale rate of 1 US cent per mile) to yield equivalent revenue — a threshold few non-flying members ever achieve, even with a co-branded card.

Most programs would not decide between both revenue types but try to pursue both. Nevertheless, the direct revenues generated with partners get much more headline news since they are directly visible. Major carriers illustrate this financial dynamic; Delta Air Lines reported 8.2 billion USD in loyalty revenue (currency sales) in 2025 against 63.4 billion USD in total airline revenue. However, the proportion of direct ticket sales driven implicitly by program loyalty remains unquantified, despite widespread consensus that its indirect financial contribution is substantial.

Immediate vs deferred

An overview of different program strategies shows their strong and weak sides. Depending on a position, there is not necessarily a wrong or right approach, but the chosen one has its consequences for the partnership strategy.



If the “financial” strategy delivers greater and more immediate revenue, should the parent company lose sight of the initial objective of its loyalty program?

As this is not an either-or choice, the fundamental question is ultimately **where to strike the right balance between immediate revenue and deferred revenue.**

The question of the priority is ambiguous: direct revenue for the program with (financial) partners or indirect revenue in a form of a contribution to the parent company revenue through increased customer activity or share of wallet as well as higher yields resulting from decreased price sensitivity – with, probably, stronger CRM efforts?

Should time and human resources be focused on immediate financial results or concentrated on a mid-term outcome? The loyalty dimension is more complex to handle as it embraces the road warrior with a weekly transaction, the student looking for a bargain, but with a high lifetime potential and the affluent retired couple with one single high yield transaction every other year.

State and limitations of financial partnerships

At travel loyalty programs, discussions about partner-generated revenue come down to financial partners. At virtually all programs having a financial partner in their portfolio, they usually account at least for 50% of all partner-accrued points, but much more often in the range of 80-95%.

When looking at the total number of points accrued within a program (incl. with the parent company), these financial partnerships have enabled many major programs to reach a point where more than 50% of all points are generated through partners. Qantas and Air Canada, for example, regularly report such values for their programs.

Financial partnerships comprise two different dimensions and they should be looked at separately.

Co-branded Cards

They might be considered the initial form of financial partnerships and can now be found increasingly prevalent across programs worldwide. They are though off topic for many smaller programs as they would not reach a critical mass of members required to justify that investment. Especially the cap of interchange fees in many markets and the resulting deterioration of the economics of these cards have put the hurdle higher for many programs.

Co-branded cards also have lower penetration in the hospitality sector. Apart from the very large groups – but even companies like Accor struggle to get really into the co-brand business at scale – no co-brand offers can be found with most hotel programs.

One of the best practice examples is the relationship between American Express and **Delta Air Lines**, which have managed to create a true win-win situation for both parties. According to Delta, about one third of active SkyMiles members hold one of the co-branded cards, while that value is usually (well) below 20% at other programs.

The (financial) importance of that partnership is so big for Delta that it even introduces partnerships with the likes of Uber and Starbucks to address at Gen Z clients, using these partnerships as direct acquisition channel for its co-branded cards.

Immediate vs deferred

Other airlines, like **American Airlines**, bring the co-brand relationships to another level by making the card quasi mandatory for qualification for higher-tier levels: Qualification thresholds were strongly increased, but all activities, incl. miles earned on the credit card, now account for the qualification.

Previously, American Airlines required 50,000 qualifying miles earned annually on American Airlines / **oneworld** flights to achieve Platinum status. This has now been replaced by a requirement for 75,000 “Loyalty Points”, with each mile earned within the program corresponding to one Loyalty Point. A customer who previously accumulated 50,000 qualifying miles through flying must therefore generate an additional 25,000 Loyalty Points through other activities. Without using a credit card, achieving this additional volume is considerably more difficult.

The message to members is therefore clear: **Loyalty to the parent company alone is no longer sufficient.**

While this approach may strengthen the economics of the co-brand proposition, it also introduces potential strategic risks to the underlying loyalty relationship.

Delta’s leading penetration rate of approximately one-third of active members also demonstrates the inherent limits of co-brand penetration. A considerable proportion of customers will either recognise that they do not fly or spend enough to justify holding the card or have their primary financial or travel loyalty elsewhere.

A further consideration is the international dimension. While establishing a successful co-brand proposition in the home market is one challenge, even large programs often lack sufficient customer density in international markets to support a viable local card proposition. Delta, for example, offers co-branded cards in only a limited number of markets, whereas American Airlines has extended its offering across a broader range of markets in Central and South America.

Best practices at that level might include **Lufthansa**’s Miles & More program with a presence across more than a dozen international markets, including some rather surprising ones like Cyprus or Mexico. **Turkish Airlines** also has an interesting approach in its Miles&Smiles program with offerings in secondary markets with a high strategic value to the carrier, such as Azerbaijan, Georgia, or Jordan. The logic here is

Immediate vs deferred

clearly about using the payment card as a vehicle to strengthen the ties with the airline, rather than necessarily hoping for the high transaction volumes.

Bank Conversion Partnerships

The second category comprises conversion partnerships with bank programs. While the total transaction volumes are the biggest one in the US around big players like **Citi** or **Capital One**, that model has also gained importance in several other markets, notably in Australia, Southeast & North Asia, the Middle East, and Brazil. While markets like the US or Brazil have already reached a point of maturity, other markets like the Middle East are still in full development swing when it comes to such conversion partnerships.

These programs typically offer points transfer to numerous travel loyalty programs, including hotel programs. Depending on the market, their strategy is rather to partner with foreign programs (e.g. US-based banking programs), granting customers easy access to the local banking market or to rely primarily on local players (e.g. Middle East) where customers tend to have a stronger preference for the relevant local currencies.

While these partnerships also represent an attractive revenue stream for programs, two critical differences exist though compared to own co-brand offerings:

- Customers are loyal to their bank. When customers have enough points to redeem, they just select the one program that offers the reward option they are looking for in a **highly opportunistic manner**. In practice, it is very difficult for programs to turn such clients afterwards into loyal customers for the own company even with corresponding CRM efforts. While the transactions transit through the loyalty currency, these partnerships should indeed be seen much more as a distribution option for the program than as a loyalty partnership. It is indeed worth a consideration maintaining such relationships but placing them outside of the framework of loyalty programs.
- The economics of these relationships are often driven and destroyed by a tiny share (less than 1%) of bank customers generating exceptionally high card spend. These customers are hardly affluent clients, but rather business owners managing to channel their business expenses through personal card or travel agents charging the costs of their transactions through their cards. They often sit literally on millions of points and have little sensitivity to the redemption value they get. This creates an additional fraud and compliance risk for loyalty programs, as such activity

Immediate vs deferred

typically violates program terms and conditions (often, these tickets are sold on a grey market).

The latter phenomena obviously also exist with co-brand cards, but at least the program operator is here somewhat in better control.

The fundamental distinction is therefore important: co-brand partnerships can strengthen the relationship between the customer and the parent company, whereas bank conversion partnerships primarily monetise access to an existing pool of bank-loyal customers. The two models may generate similar financial revenues for the program, but their strategic contribution to customer loyalty is fundamentally different.

Strategic Dimension	Co-Branded Credit Cards	Bank Conversion Partnerships
Primary Value Driver	Direct brand engagement, high daily utility, tier qualification	Broad distribution reach and immediate currency sales volume
Customer Loyalty	Strongly tied to the travel brand	Highly opportunistic; primary loyalty remains with the bank
Market Constraints	High capital requirements; limited by interchange caps in key regions	Scalable globally, but lacks brand exclusivity or long-term engagement
Economics & Margins	Predictable, high-volume, stable recurring revenue	Redemption capacity consumed by hyper-accumulators, grey-market resale, arbitrage

Immediate vs deferred

Excessive accrual and its consequences

While selling currency to financial partners delivers short-term financial gains, unmanaged point issuance introduces systemic vulnerabilities:



When programs flood the market with currency via bank transfers, opportunistic non-loyal cardholders absorb premium award capacity as a direct result of such excessive accrual. For instance, **Air France KLM**'s Flying Blue program with its predominant European-based membership base claims publicly that more than half of its reward capacity (!) is consumed by US-based members, leveraging bank credit card points transfer options. Consequently, even core European frequent flyers face award availability shortages across the network, forcing operators to devalue currencies through dynamic pricing — damaging relationships with their most profitable core customers. The picture is obviously even more challenging for US-based frequent flyers with Air France and KLM. Transatlantic award prices – running not so long ago at a uniform price point of 25,000 miles one-way in Economy Class and 40,000 miles in Business Class – are now skyrocketing.

The short-term revenue generated through such partner demand therefore risks coming at the expense of long-term customer relationships. If loyal customers consistently find it difficult to access meaningful value from the program, the resulting frustration can ultimately lead to customer churn.

The following table shows an overview of current conversion partners with some of the larger banking programs in the US. The length of this list shows **no intention by banking partners to create any preferred relationship with their partners**, but to provide more choice for their cardholders.

Immediate vs deferred

Capital One	Chase	Citi
Accor	Aer Lingus	Accor
Aeroméxico	Air Canada	Aeroméxico
Air Canada	Air France KLM	Air France KLM
Air France KLM	British Airways	American Airlines
Avianca	Hyatt	Avianca
British Airways	Iberia	Cathay Pacific
Cathay Pacific	IHG	Choice Hotels
Choice Hotels	Jetblue	Emirates
Emirates	Marriott	Etihad
Etihad	Singapore Airlines	EVA Air
EVA Air	Southwest Airlines	Japan Airlines
Finnair	United	Jetblue
Japan Airlines	Virgin Atlantic	Preferred Hotels
Jetblue	Wyndham	Qantas
Preferred Hotels		Qatar Airways
Qantas		Singapore Airlines
Qatar Airways		Thai Airways
Singapore Airlines		Turkish Airlines
TAP Air Portugal		Virgin Atlantic
Turkish Airlines		Wyndham
Virgin Red/Atlantic		
Wyndham		

The partnership list of upcoming, but still more niche operators in the payment space, such as **Bilt Rewards** or **Rove Miles**, widely adopts a similar multi-partner approach.

The share of the cake a specific loyalty program gets is difficult to predict as this depends on award pricing and availability on specific days. This becomes a little manageable relationship for programs, while the respective partnership managers understand their role in maximizing the revenue through the partnership.

Immediate vs deferred



Once airlines recognise this as an issue, they may take drastic measures. As such, **Emirates** made two significant changes in its Skywards program over the past 18 months:

- The program terminated its conversion partnership with Chase (while maintaining others in the US market).
- Without specifically addressing this at the US market, Skywards has been blocking basic members from redeeming First Class awards since May 2025. While a “normal” Skywards member would hardly be affected by that since one almost automatically needs to fly a lot to accrue sufficient miles to pretend being able to claim a First-Class ticket, this blocks indeed the opportunistic bank customer without any loyalty towards Emirates, just attracted by the quality reputation of Emirates as a brand.

This move by Emirates added a USP to its own co-branded card in the US, which comes with immediate Skywards tier status.

Immediate vs deferred

Shift from a short- to a mid-term strategy

Looking at the current economics of loyalty programs, a unilateral focus on financial returns is not a sustainable mid-term strategy. Beyond revenue generation, partnerships should also be leveraged to strengthen member engagement with the brand. Given their day-to-day utility, co-brand partnerships can contribute to this objective to some extent. Bank conversion partnerships, however, hardly have any engagement potential due to the nature of these partnerships.

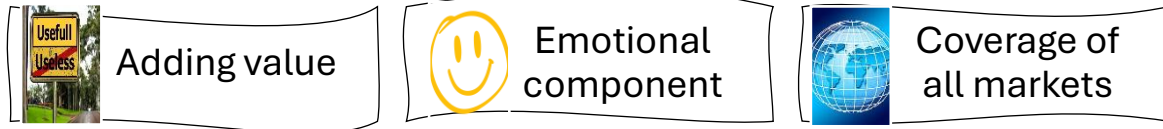


The objective, therefore, should not be to eliminate the revenue streams generated through financial-sector partnerships, but rather to refine the approach by assessing these partnerships through a stronger engagement lens. Relationships with bank conversion partners could, in fact, be considered separately from the core loyalty function, as they often operate primarily as a distribution channel with limited direct influence on the loyalty proposition. As banks increasingly launch their own booking platforms, airlines and hotel groups are beginning to view them more like OTAs. For many existing conversion partnerships, this perspective may already be more appropriate today.

Complementing the short-term revenue focus with a mid-term strategic perspective would fundamentally change the requirements for loyalty program partnerships — and, consequently, the objectives set internally. Quarterly earnings would become less dominant, while the north star for partnerships would shift towards one central question: to what extent can a partner create or deepen member engagement with the brand?

Immediate vs deferred

Revenue generation would remain an important objective, but its focus would shift from immediate transaction revenue generated through the partnership towards incremental sales revenue generated for the brand over a longer time horizon.



Moving beyond the purely financial rationale for partnerships, this value creation can be considered across both the accrual and redemption sides of the program. Tangible rewards provided by partners can play an important role in this context. The success of simple and intuitive programs such as Starbucks Rewards demonstrates the potential of partnerships to create frequent, relevant and emotionally engaging interactions with customers.

It is important to recognise that such a paradigm could have a material impact on the loyalty program's P&L, especially for programs generating today a big share of revenue through conversion partnerships. This is precisely because the financial contribution of these partnerships would become less central, while overall volumes would remain relatively small compared with other accrual categories. The real value lies in their potential to generate non-financial engagement and create additional CRM opportunities, which will not reflect on the program's P&L.

Successful partnerships applying such a perspective should ideally meet several of the following criteria:

- ☐ High relevance to specific target groups (at a regional or global level)
- ☐ Potential for frequent use
- ☐ (Emotional) engagement potential (to be exploited at CRM level)
- ☐ Relation to the brand/destination, hard to match by others
- ☐ State-of-the-art technical integration
- ☐ Willingness by the partner to get fully engaged (rather than seeing the program as distribution channel only)

It is also worth noting that these partnerships tend to be financially healthy despite their lower volumes. Usually, they allow for a higher margin between the accrual prices and redemption costs can be achieved than high-volume (financial) partnerships.

Partnership Management in Action: Case Studies

This section discusses some partnership approaches, which go in the right direction to engage members in a different manner. Given the nature of the strategic approach, they are automatically limited to specific markets and/or customer segments.

To be successful, such partnerships need indeed to be supported by highly sophisticated CRM approaches as they might not be natural or self-explaining partnerships everybody would expect to see in a travel loyalty program. Unfortunately, this is the area where many partnerships still struggle to exploit their full potential. Without having access to performance insights into all the examples below, this may also apply to some of the best practice ideas presented hereafter.

Daily utility partnership - example Delta/Starbucks



Starbucks reflecting the way of life of many (urban) US citizens, the tie-up between Starbucks and Delta was compelling in a sense that it literally earns a daily earn opportunity for many members. At an earn rate of one mile per USD, the absolute earn potential remains obviously modest, but it creates an engagement potential as the transactions are much more frequent than flight transactions.

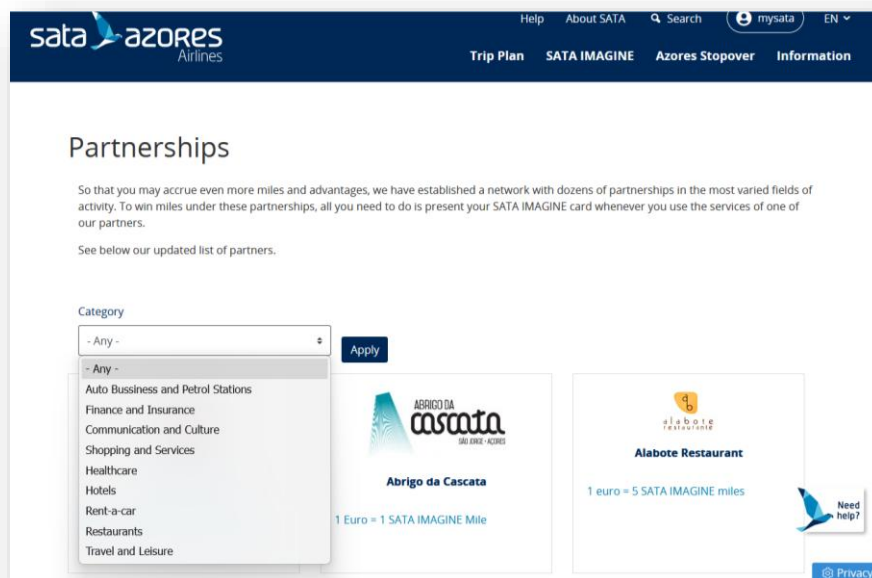
While there is not necessarily a logical fit between an airline and a coffee shop, this link was created in an easy manner that linked members receive double credits in the Starbucks programs on days they travel with Delta. That logic of cross-selling was also reinforced by an update to the partnership in August, limiting the accrual possibility to members having flown on Delta in the past 12 months.

The partnership is also a fit from a brand perspective since two companies with the strongest perceived brands in their respective sectors have teamed up.

Case studies

However, it is reported that Delta also "misuses" this partnership to identify new target groups among these Starbucks customers to pitch its co-branded credit card to them – with its much higher revenue potential for Delta than these low-volumes Starbucks accruals.

Destination partnerships – example Grupo SATA



SATA's IMAGINE loyalty program features close to fifty non-air partners. Except for car rental company Sixt, all of them are local partners on the Azores Islands, where the airline is based.

With an aggregation of many local accommodation and car rental partners, but also of shops, restaurants, and activity partners, not only residents, but also external visitors have all the interest to participate in the program and use these partners during their stay. Given the size of the businesses involved, the overall transaction volumes per partner are though likely to be low.

Unfortunately, this interesting basis seems not to be exploited correctly at a strategic and CRM level to ensure that external visitors return to the destination (and fly SATA in case they used a different carrier for their last trip), since a rigid expiry policy is likely to result in a high breakage rate, undermining all corresponding potential.

Case studies

Brand Compatibility – Global Hotel Alliance



Global Hotel Alliance positions itself as platform primarily for luxury hotels with a corresponding positioning of its GHA DISCOVERY program and its target groups.

As such, the program has only a limited number of partnerships, looking at reinforcing that image of a premium positioning. At the same time, partners benefit from a strong overlap of potential clients.

Partners include notably Regent Seven Seas Cruises, allowing members to earn up to 2,500 (DISCOVERY) dollars per cruise, and ground transportation provider Blacklane, which keeps its independent positioning in the premium segment even after having been purchased by Uber.

Sport sponsorships

With many major sport teams attracting sponsors from the travel industry, they provide a natural fit to increase engagement between supporters of the sport team and the brand at the level of the loyalty program. Experience awards and auctions are the most widely used tools here.

Leading examples include **Emirates** and **Etihad** sponsoring various major football, rugby, and basketball teams. **Accor** is known for its relationship with Paris St Germain and its Novotel property built in the stadium, with a suite overseeing the field exclusively bookable as redemption package to its ALL members during matchdays.

While above examples focus on major clubs, many secondary clubs are sponsored by airlines as well, but these relationships are hardly exploited at the loyalty level.

Case studies

Examples include **Viva Aerobus** sponsoring Club América, **United Nigeria Airlines** working with Enyimba FC or the relationship between **SunExpress** and both Crystal Palace and VfB Stuttgart. In the hospitality sector, **The Ascott Group** can serve as example, working with Chelsea FC, including a tie-up at the loyalty level.



The same principle can be witnessed with major sport events, such as Formula 1 (e.g. **Gulf Air**, **Qatar Airways**), tennis tournaments (e.g. **IHG Hotels** at US Open) and more.

There are also fewer relationships, where the loyalty program in its own rights get involved with a sporting event, such as Turkish Airlines' Miles&Smiles program with the Bosphorus Cup (sailing), awarding a total of one million miles to the winning teams. The requirement to exploit such opportunities directly to drive engagement among members becomes even more obvious here.



Case studies

Complimentary partnerships – Indian Hotels Company Limited

Indian Hotels Company Limited (IHCL) has started strategic partnerships both with fellow hotel groups **Shangri-La** and **Millennium Hotels and Resorts**. Having a small non-competing geographical overlap, these tie-ups create new opportunities to discover stays, dining, and wellness experiences across both portfolios for their members. The partnership also benefits both brands by increasing cross-market visibility.

Simply said, the logic of network extension is the same as behind traditional airline partnerships at the loyalty level. But given the different structure in the hotel business (notably no national boundaries for hotel groups), such cooperation models are rare since hotels either tend to look for organic growth within the group or content themselves to a niche role. Such out-of-the-box thinking as demonstrated by IHCL opens though indeed new opportunities – and lessons can be learned from it for other partnership domains.

Aspirational redemptions – examples with Apple

Travel loyalty programs often struggle with alternative redemptions since members would not necessarily consider them as aspirational as the travel-related rewards offered by the parent company.

Money-can't-buy experiences, often attributed through an auction process, represent such an alternative, but also some rare opportunities in the retail space with globally respected brands.

As such, Apple has recently integrated several programs as redemption option, either based on a direct agreement with the airline or through corresponding redemption platforms as part of reward shops. Airline loyalty programs offering such option include the programs of Air France KLM (**Flying Blue**), of Saudia (**AlFursan**) or of WestJet (**WestJet Rewards**). It is worth noting that AlFursan also allows Cash & Miles redemptions for these Apple products, making them also accessible to less frequent travellers and providing them hence with an additional reason to engage with the program. As AlFursan also serves as loyalty program of Saudia's low-cost affiliate Flyadeal, such set-up represents a clear opportunity to expand the program's reach into new customer segments.

The role of Technology Partners – Example Vernost

Vernost's partnership work on the customer engagement and ecosystem development side illustrates a broader evolution in loyalty program strategy and the role technology partners must play. The partnership increasingly becomes a **customer-experience layer connecting loyalty currency to everyday behaviour**.

This is particularly relevant as loyalty programs seek to increase engagement between core transactions, reach new audiences, create alternative redemption options, and strengthen the utility of their currencies.

Across its work with financial institutions, retailers, food-delivery platforms, and airlines, Vernost demonstrates how technology can make this shift operational — allowing loyalty currencies to move beyond traditional earn-and-burn mechanics and become embedded in customers' everyday ecosystems.

Emirates NBD Rewards Hub: Turning a Banking App into an Everyday Engagement Platform

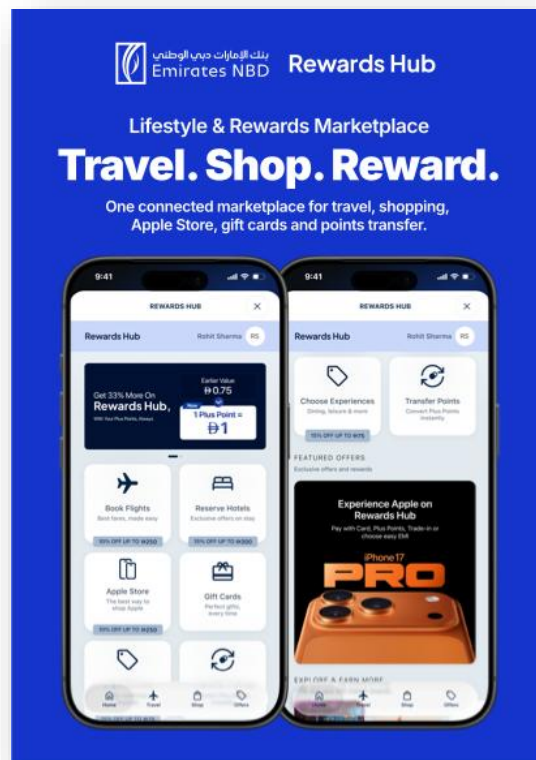
With the launch of Rewards Hub, the bank's strategic objective was not simply to add more rewards to a banking app. It was designed to make the Emirates NBD X banking app, singular destination customers actively choose to return to because it brings **banking, rewards, commerce, travel, experiences, and everyday value together in one place**. This is how partnerships can move from being transactional revenue channels to becoming engines of digital engagement and long-term customer relevance.

This aligns particularly well with the paper's broader conclusion that leading programs or platforms need to invest in alternative partnerships to increase customer engagement, points currency utility, and brand salience, while maintaining the necessary revenue contribution from volume partnerships.

The launch of the **Emirates NBD Rewards Hub** represents a particularly important evolution in the role of a financial-services loyalty proposition. Rewards Hub brings the bank's broader lifestyle and commerce proposition directly into the Emirates NBD X

Technology partners

app, supporting the long-standing vision of making the banking app a single destination for customers' everyday financial and lifestyle needs.



Traditionally, bank loyalty programs have often been heavily dependent on financial partnerships and transaction-led earning. While these partnerships can deliver substantial volumes and immediate commercial value, they can also encourage an opportunistic relationship with the program: customers engage when there is a transactional incentive, rather than developing a sustained relationship with the loyalty proposition.

The Rewards Hub changes the proposition by creating a single destination through which members can access and use a broader range of rewards and partner propositions. Its strategic significance therefore goes beyond the launch of another rewards marketplace. It is about **changing the frequency and context of loyalty engagement**. Instead of loyalty appearing only as a consequence of card spend, the Rewards Hub gives customers more reasons to return to Emirates NBD X — to explore offers, use their rewards, discover new experiences, and complete everyday purchases and bookings.

Technology partners

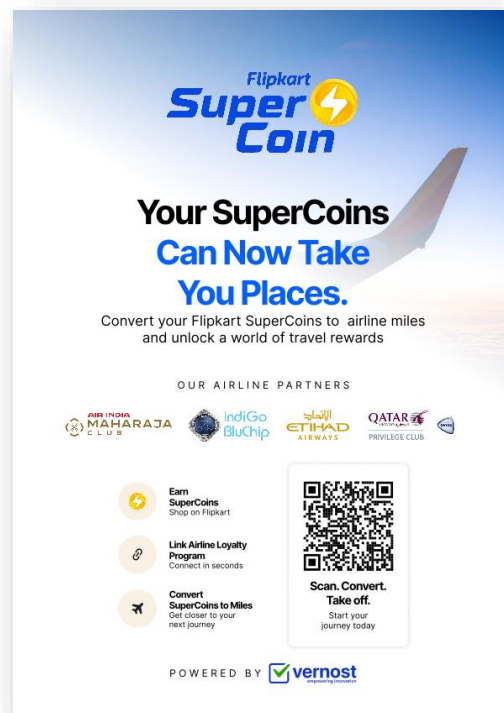
For Emirates NBD X, this creates multiple strategic benefits:



Flipkart

The Vernost–Flipkart partnership demonstrates another important evolution: **the conversion of a broad retail currency into travel value**. It represents a partnership whose engagement potential can be more important than their immediate revenue stream.

Indian consumers may earn Flipkart SuperCoins through everyday shopping behaviour. The partnership enables customers to convert those SuperCoins into airline miles, effectively connecting one of India's largest everyday commerce ecosystems with airline loyalty programs.



The strategic importance lies in the fact that **the airline does not have to wait for the customer to fly in order to engage with its loyalty program**, opening a potential new customer group of infrequent travellers to them: Often, such customers would rather lean towards low cost carriers, but having the possibility to generate already a few thousand miles with a full service airline before actually purchasing the ticket can definitely influence their purchase behaviour.

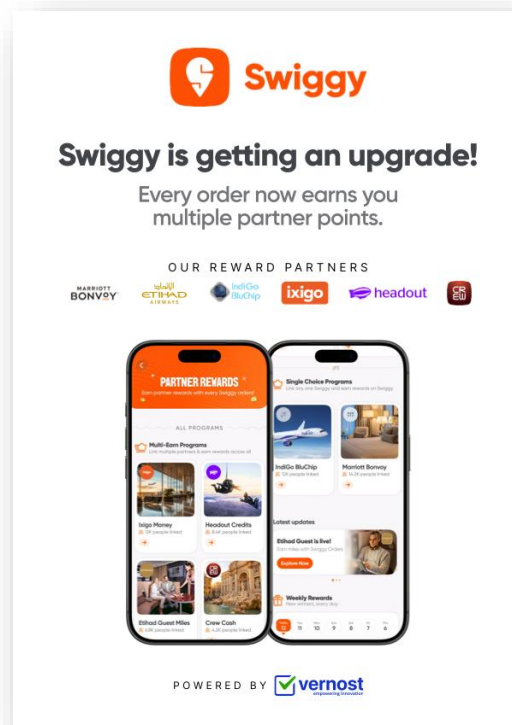
For the airline loyalty program, this creates:



The model is particularly powerful because it creates **reciprocal value**. Flipkart increases the utility of SuperCoins; airlines gain access to incremental earning and acquisition opportunities; and the consumer gets a clearer path from everyday spending to an aspirational travel reward.

Swiggy

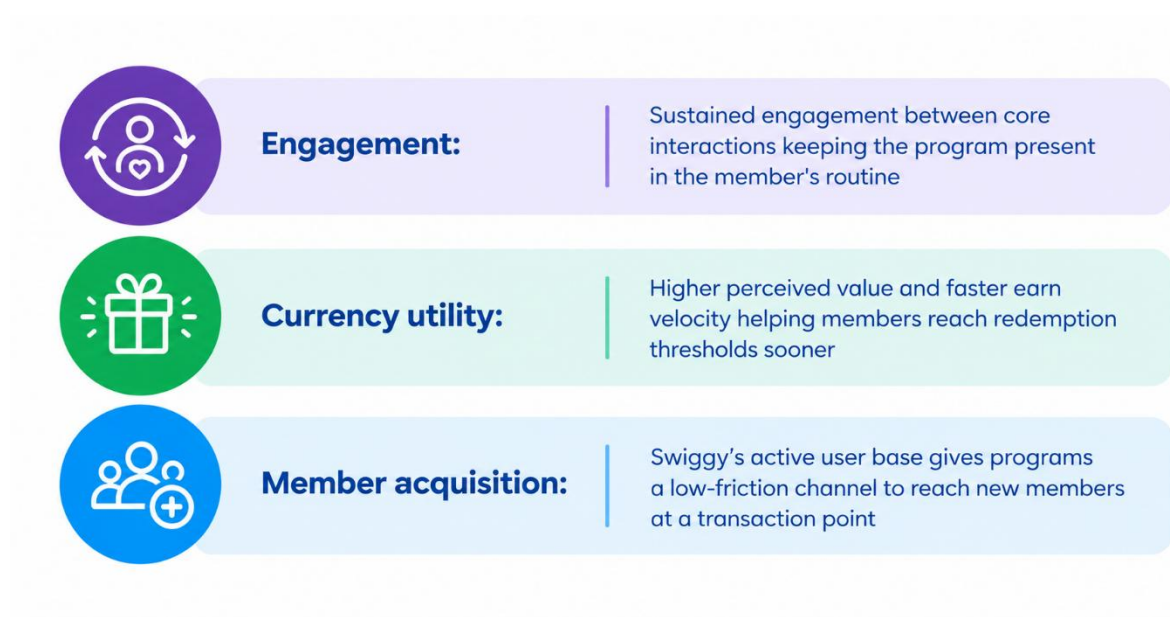
The Vernost–Swiggy partnership embeds loyalty into some of the most frequent digital behaviours of everyday consumption. These span three categories: food delivery, quick commerce for groceries and daily essentials, and dining out. Together they turn everyday transactions into a multi-program loyalty opportunity.



For loyalty programs, the value of such a partnership goes beyond incremental points issuance. Each of these categories brings a different kind of engagement. Food delivery is inherently high frequency and woven into weekly routines, quick commerce is higher still and dining out happens less often but involves larger bills. Together, these categories create repeated opportunities for a loyalty brand to remain visible and relevant, even when the customer has no immediate interaction with an airline, hotel, bank, or other traditional program operator.

The partnership can therefore support three strategic objectives simultaneously:

Technology partners

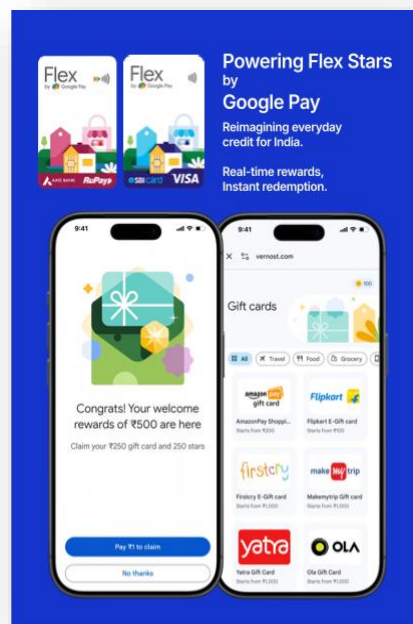


The Swiggy case consequently illustrates how **frequency itself becomes a strategic asset**.

Flex by Google Pay

Google Pay India provides a new way of accessing and managing conventional credit. The **Flex by Google Pay** proposition launched in partnership with two leading bank issuers in India demonstrates the next step in this evolution: taking loyalty beyond a specific merchant or category and embedding it into the **payment experience itself**. Rather than relying on customers to remember to engage with the loyalty programme, the proposition can bring the loyalty experience closer to the point of transaction, making engagement more seamless and immediate. The programme is designed to increase customer engagement without requiring a separate loyalty-specific journey.

Technology partners



Flex by Google Pay intends to bridge the gap between widespread digital payments and relatively lower penetration of transactional credit. It can be positioned as an example of **loyalty becoming infrastructure rather than an add-on**.

The opportunity with a technology-led proposition such as Flex by Google Pay is that it embeds loyalty seamlessly into the payment experience, instead of merely using payment as a distribution channel for loyalty programs.



Earning and reward propositions can be more immediate and intuitive.



The payment ecosystem as a distribution mechanism for loyalty propositions.



Partners gain access to consumers at a larger number of everyday touchpoints.

Conclusions

The trajectory of travel loyalty program partnerships has reached a pivotal junction. Driven by the short-term lure of immediate, high-volume revenue from currency sales, programs have increasingly leaned into financial and bank conversion partnerships. While these arrangements provide clear, measurable financial benefits to the P&L, an over-reliance on them threatens the long-term integrity of loyalty ecosystems. The resulting influx of points may lead to strain on the redemption capacity, resulting in program devaluations, and members churn.

Besides the issue of creating strong financial dependence on a specific partner, there are no arguments speaking against generating high revenues with a specific partner or partner category, provided two fundamental conditions are met:

- The partnership generates engagement with the loyalty program and the underlying brand beyond the immediate transaction
- The economics of the partnership are healthy, providing a sufficient margin between accrual prices and redemption costs.

It is worth noting that not all co-branded offerings meet both criteria; bank conversion partnerships hardly do.

As next step, the balance between co-brands and bank conversion partnerships needs to be examined. But even if the co-brands are healthy per the definition above and dominate the overall accrual, the same program may suffer from its bank conversion partnerships in a specific market. The US, as the world's largest payments market, is particularly relevant in this context and can represent a material economic risk.

Moving forward, program operators must recalibrate their partnership models by shifting partially from a purely transactional focus towards a mid-term engagement strategy and creating a healthy balance and the co-existence of both partnership strategies. The profits generated with financial partners should partially be reinvested in smart partnerships with less immediate return, but a stronger loyalty and engagement potential.

The mix of partner types will make it possible to continue benefiting from immediate revenue to fund the programme's current operating requirements, while simultaneously

Conclusions

creating additional redemption opportunities, reducing pressure on award inventory, strengthening engagement with the parent company and, ultimately, contributing indirectly to its financial performance. Co-brands will certainly still have their place in such an approach, but are, by nature, confined to a limited number of markets. Bank conversion programmes, by contrast, require considerably more selective management to avoid creating significant disruption to overall programme economics and performance. The bulk of transaction volumes with these partnerships is often realised with an exceedingly small number of members, also carrying a fraud potential.

The most successful programs are likely to be those finding the individually right balance between generating sufficient immediate revenue through financial partnerships and featuring partnerships with a high potential to deepen member engagement, including through redemption.

Ultimately, the goal of a modern loyalty partner network should not merely be selling points at scale but cultivating member engagement and driving total customer lifetime value back to the parent brand. By pairing tailored, relevant non-air partnerships with advanced CRM data engines, loyalty programs can strike the right balance: securing necessary direct revenue today without eroding the core brand loyalty required for tomorrow.

Technology partners also play a significant role in this process, notably by providing the required technical infrastructure to allow loyalty currencies to travel across ecosystems. Indeed, the objective is no longer simply to reward the transaction that created the currency, but to connect the currency to the customer's wider lifestyle.

Research Methodology & Limitations

Research Methodology

This white paper presents an independent qualitative analysis of how select travel loyalty programs structured their partnership ecosystem, what they focus on.

The research has been developed through a structured review of publicly available information, including loyalty program communications, official company announcements, 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 alternative approaches by loyalty programs. 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.

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 as well as bank loyalty/retail programs, although many of the observations and strategic principles may be relevant to loyalty programs in other sectors.

The paper considers customer the engagement potential of traditional and new partnership models, extending the perspective beyond the immediate revenue generated through a partnership.

Research Limitations

This publication is based on information that was publicly available at the time of publication, completed by general industry knowledge gained by the authors through their respective works. 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, partnership models, 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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