

Will Air Canada purchase of Aeroplan bring friendly skies or turbulent times to customers?

One-quarter say Air Canada purchase of Aeroplan will result in better overall value for members

October 2, 2018 – More than a year of uncertainty for Canada's more than five million Aeroplan members has many considering whether they should hold onto or their points or let them fly before an impending integration with Air Canada's new reward system in 2020.

A new study from the Angus Reid Institute, conducted after Air Canada announced it would purchase Aeroplan and merge members of that program into a new, in house rewards system, finds that six-in-ten members are concerned that they will lose value from the points they have saved under the current loyalty program. Half also say they fear that some of their points will be lost outright because of this sale.

Despite this anxiety, however, few Aeroplan members are seeking to liquidate their points balance before the programs are merged. Three-quarters (75%) say that they will not change their plans at all when it comes to their accrued rewards.

Overall, members appear to trust Air Canada to handle the transition smoothly. Indeed, more than half (57%) say that they expect there will be little to no change after the new program is up and running, while one-quarter say ultimately they will receive better value than they were getting with Aeroplan.

More Key Findings:

- Half of Aeroplan members say they are dissatisfied with how the program operates overall. Similar numbers say they are upset with how easy is to both accumulate and spend their rewards
- Among those who say they will change their approach when it comes to the Aeroplan miles, members are twice as likely to say they will spend down their balance faster than they normally would (17%) rather than save more than usual (8%)

INDEX:

- **Airline rewards among the most widely used programs**

CONTACT:

Shachi Kurl, Executive Director: 604.908.1693 shachi.kurl@angusreid.org @shachikurl
Dave Korzinski, Research Associate: 250.899.0821 dave.korzinski@angusreid.org
Ian Holliday, Research Associate: 604.442.3312 ian.holliday@angusreid.org

Given all the recent changes and announcements about the future of Aeroplan, which of the following, if any, are you concerned about? Top 3 shown



METHODOLOGY:

The Angus Reid Institute conducted an online survey from September 4 – 7, 2018, among a representative randomized sample of 1,500 Canadian adults who are members of [Angus Reid Forum](#). For comparison purposes only, a probability sample of this size would carry a margin of error of +/- 2.5 percentage points, 19 times out of 20. Discrepancies in or between totals are due to rounding. The survey was self-commissioned and paid for by ARI. Detailed tables are found at the end of this release.

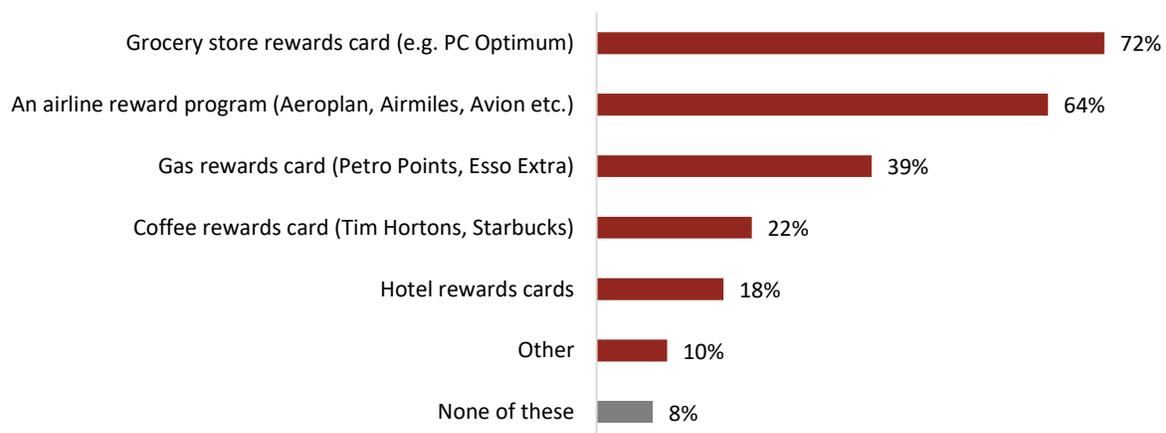
- **Aeroplan members mostly neutral on Air Canada takeover**
- **Maintaining points value the top concern**
- **Spend points or save them ahead of transition to new program?**
- **Half are dissatisfied with Aeroplan’s services**

Airline rewards among the most widely used programs

From Canadian Tire Money to Tim Hortons Rewards, Canadians love their loyalty programs. More than nine-in-ten (92%) respondents to this survey say they belong to at least one consumer rewards program, a number that roughly matches the findings of [previous studies](#) on this topic.

And in the world of rewards programs, airline rewards are among the most popular. Nearly two-thirds of Canadians (64%) belong to an airline rewards program – significantly more than belong to any other type of program except those offered by grocery stores:

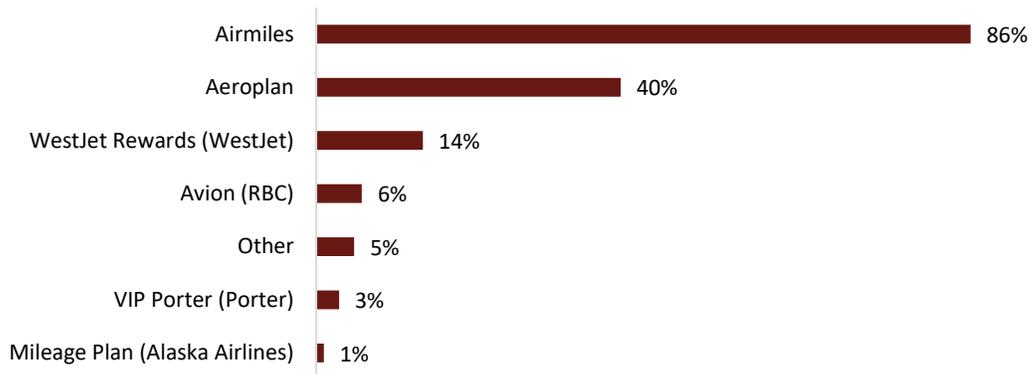
Which of the following customer rewards programs, if any, do you belong to?
n = 1500



Among those who belong to an airline rewards program, Air Miles is, by far, the most common. Some 86 per cent of those who belong to an airline rewards program belong to Air Miles, the equivalent of more than half (55%) of all Canadians. This number is roughly in line with [the company’s claim](#) to more than 11 million members and two-thirds of Canadian households.

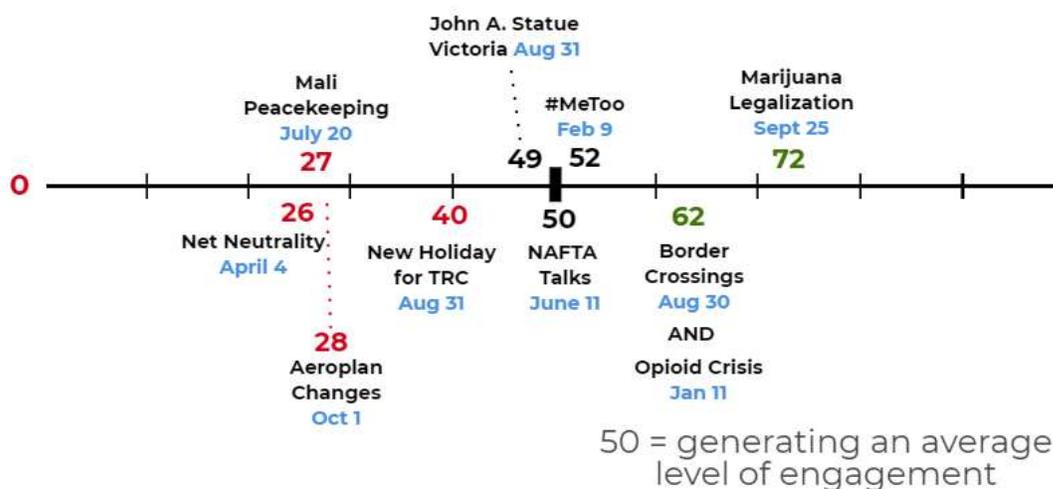
With its [five million members](#), Aeroplan places a distant second. Some four-in-ten (40%) of Canadians who belong to an airline rewards program say they belong to Aeroplan, a number that still equates to a quarter (25%) of the adult population.

**And which of the following airline rewards programs do you belong to?
(Canadians who are members of any airline rewards program)
(n = 961)**



Despite the relatively large number of people who are familiar with Aeroplan, relatively few have been following the program's saga in the news. This level of attention equates to a score of 28 on the ARI Engagement Index, which measures the degree to which the topics of ARI polls are resonating with the Canadian public. A 28 is one of the lowest scores recorded in 2018 so far, on par with Canadians' engagement with the [peacekeeping mission in Mali](#) (which scored a 27 on the index) and [changes to net neutrality rules](#) in the United States (26).

2018 Scores on Angus Reid Institute Engagement Index



CONTACT:
 Shachi Kurl, Executive Director: 604.908.1693 shachi.kurl@angusreid.org @shachikurl
 Dave Korzinski, Research Associate: 250.899.0821 dave.korzinski@angusreid.org
 Ian Holliday, Research Associate: 604.442.3312 ian.holliday@angusreid.org

For more on the ARI Engagement Index, see notes on methodology at the end of this report.

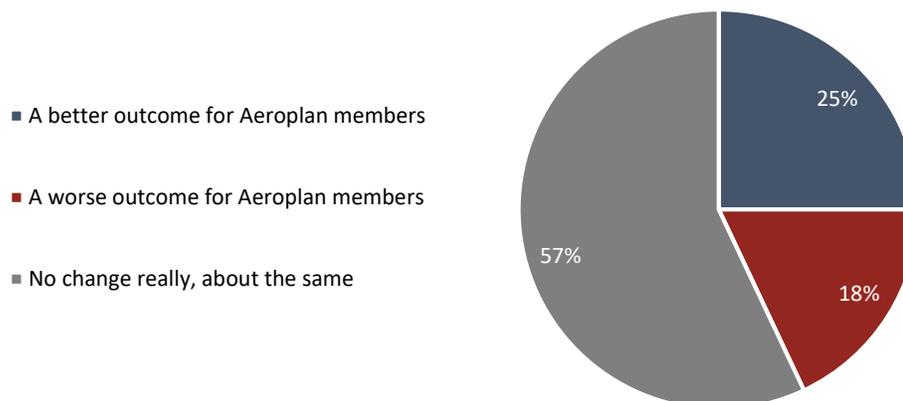
Aeroplan members mostly neutral on Air Canada takeover

Aeroplan was initially launched by Air Canada in 1984, but the Canadian airline sold its last stake in the company in 2008, choosing to operate as a partner in the program. In 2017, many members were shocked when Air Canada announced it would end its Aeroplan partnership in 2020. What would happen to their accrued points?

The latest twist in [this unfolding story](#) came in August of this year, when Air Canada and corporate partners announced they would be purchasing the loyalty program back from Aimia Inc., and would be integrating it with a new Air Canada rewards program, beginning in 2020.

While some Aeroplan members heads may still be spinning from these changes and announcements over the past two years, most expect no significant change from Air Canada's decision to buy back the program. More say they expect a better outcome for members (25%), than worse (18%), while the majority say that they do not expect a huge change (57%):

Ultimately, as an Aeroplan member, do you believe Air Canada buying back Aeroplan will result in:



Maintaining points value the top concern

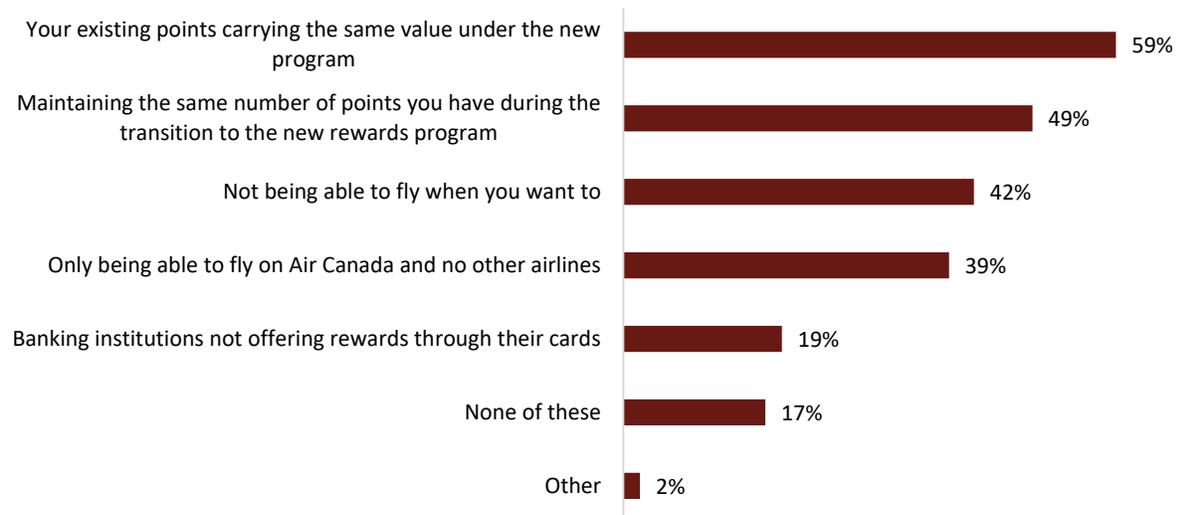
Details about what the Air Canada purchase will mean for members remain somewhat unclear. Air Canada has stated that current Aeroplan points will be folded into the new Air Canada points system when it becomes operational, though [questions remain](#) about ensuring equal value for those points.

When asked about any concerns they may have, the top source of anxiety is indeed, the value of the points a member has accrued. Six-in-ten (59%) say they are worried about maintaining this value while four-in-ten are concerned about the flight restrictions, whether through the airlines available or times that are restricted:

CONTACT:

Shachi Kurl, Executive Director: 604.908.1693 shachi.kurl@angusreid.org @shachikurl
 Dave Korzinski, Research Associate: 250.899.0821 dave.korzinski@angusreid.org
 Ian Holliday, Research Associate: 604.442.3312 ian.holliday@angusreid.org

Given all the recent changes and announcements about the future of Aeroplan, which of the following, if any, are you concerned about?

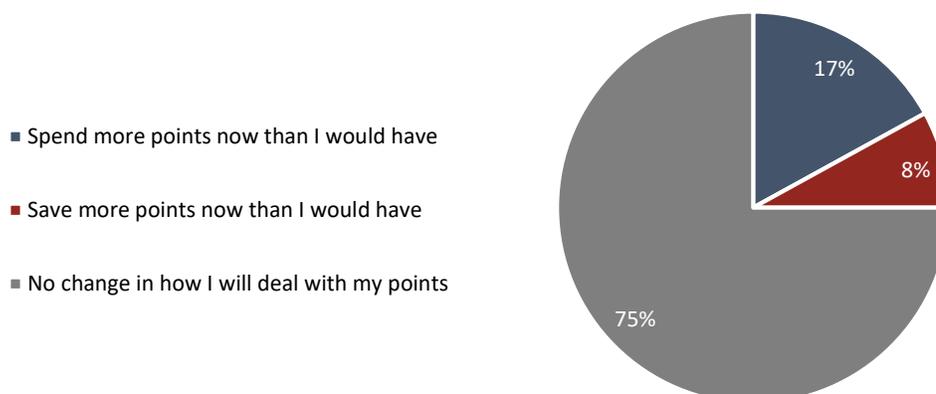


Spend points or save them ahead of transition to new program?

With such a high level of concern over how future changes will affect both the value and number of points they hold, one might think that members would be rushing to cash in their rewards for travel and merchandise. That does not, however, appear to be that case.

Three-quarters of Aeroplan members say they have no plans to change their points usage. Among the one-quarter who will, people are more likely to be spending points (17%) than hanging onto them (8%).

What will you do with your Aeroplan points over the coming months?

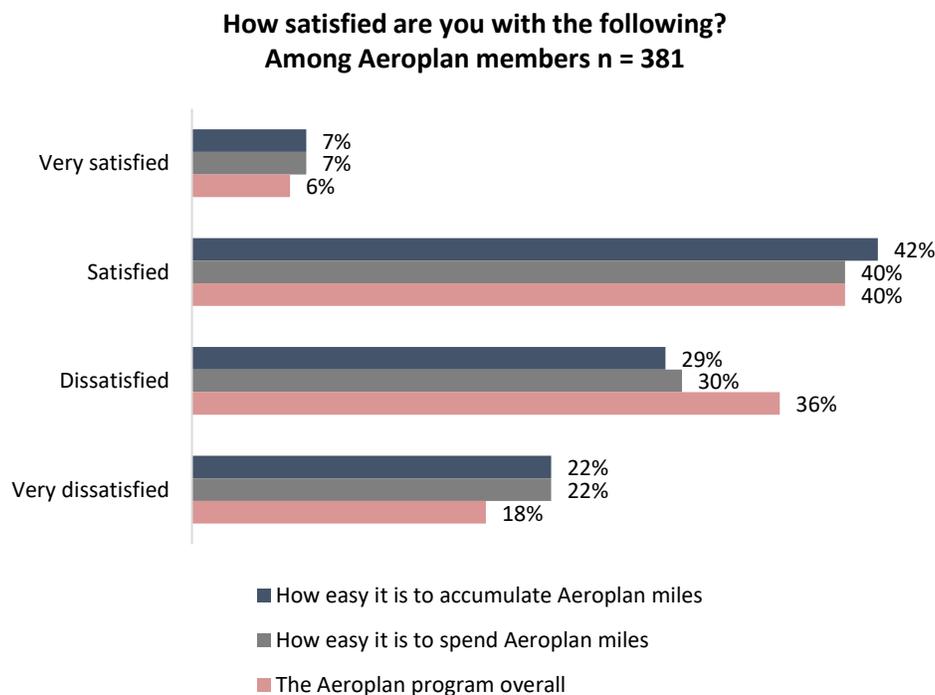


Half are dissatisfied with Aeroplan's services

While members are going to largely be holding onto their points and operating with a business as usual approach as they await the changes to come, the sentiment among many is that there is room for improvement when Air Canada switches to a new rewards system.

Satisfaction with Aeroplan overall sits at just 47 per cent, with 53 per cent of members saying they are not content with the program. Overall, one-in-five are *very dissatisfied* (18%).

Accumulation is apparently a source of frustration for members, as is redemption. Close to half of Aeroplan members say they are dissatisfied with how easy it is to do both. Notably, those who are *very dissatisfied* significantly outweigh those who are *very satisfied*:



*The **Angus Reid Institute (ARI)** was founded in October 2014 by pollster and sociologist, Dr. Angus Reid. ARI is a national, not-for-profit, non-partisan public opinion research foundation established to advance education by commissioning, conducting and disseminating to the public accessible and impartial statistical data, research and policy analysis on economics, political science, philanthropy, public administration, domestic and international affairs and other socio-economic issues of importance to Canada and its world.*

For detailed results by age, gender, region, education, and other demographics, [click here](#).

CONTACT:

Shachi Kurl, Executive Director: 604.908.1693 shachi.kurl@angusreid.org @shachikurl
 Dave Korzinski, Research Associate: 250.899.0821 dave.korzinski@angusreid.org
 Ian Holliday, Research Associate: 604.442.3312 ian.holliday@angusreid.org