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SEAN BURKE-GAFFNEY
WEB DEVELOPMENT MANAGER
AEROPLAN
WWW.AEROPLAN.COM

The Company

Recognized as one of the most successful airline loyalty rewards program in the world, Aeroplan has over five million members redeeming over 1.5 million flights per year. In the more than 20 years since its inception, Aeroplan has grown into Canada's premier loyalty marketing company. Aeroplan's millions of members earn Aeroplan Miles through a network of more than 60 partners, representing over 100 brands in the financial, retail and travel sectors. Members then redeem their Aeroplan Miles towards worldwide travel and/or a wide array of exclusive lifestyle rewards. Aeroplan also develops and executes innovative and appealing member-targeted marketing programs with its global partners to engage and increase consumer loyalty.

The Situation

“We had a corporate directive to expand our loyalty program and to promote non-air rewards such as electronics, consumer goods and experiential *Gifts* and *Indulgences*, which would be offered through an expanding eco-system of partners. Also, with the majority of member interaction being transactional, we wanted to shift users towards a self-service model via the web.”

SEAN BURKE-GAFFNEY, WEB DEVELOPMENT MANAGER, AEROPLAN

The Challenges

Briefly:

Aeroplan set out to expand their loyalty program and diversify the redemption of Aeroplan Miles towards non-air rewards.

Additionally:

- Aeroplan wanted its members to redeem Aeroplan Miles online
- Aeroplan sought to amalgamate hundreds of partner products into a single catalog
- Aeroplan looked to seamlessly integrate the ecommerce platform for specialty rewards into non-travel, experiential merchandise
- Aeroplan required interaction with existing transaction data
- Aeroplan needed to serve its members in both English and French

The Solution

After evaluating 30 ecommerce platforms, Aeroplan chose Elastic Path Commerce because of its flexibility and developer-friendliness, along with Elastic Path Professional Services to integrate the storefront with Aeroplan's various back-end systems and data sources.

The Results

- The majority of all redemption transactions now occur on the website, www.aeroplan.com
- Redemption of Aeroplan Miles for non-flight *Gifts* and *Indulgences* has increased
- Information Technology processes are adapted to suit existing internal business procedures
- The time to add new partners and merchandise to the roster of rewards is reduced



The Story

Beginning as a frequent flyer program under the Air Canada banner over 20 years ago, Aeroplan has grown into a comprehensive loyalty marketing company widely recognized for innovation and customer satisfaction. Aeroplan was recognized in 2004 with an Industry Impact Award at the annual Freddie Awards for introducing a personalized, tier-level benefits program. Aeroplan followed up in 2006 with an Industry Impact Award for being the first frequent flyer program to transform itself into a loyalty management business.

Now, as a subsidiary of ACE Aviation Holdings, Inc., Aeroplan has grown into a publicly-traded company valued at over two billion dollars. Over 52 billion Aeroplan Miles - representing an equivalent of approximately \$40 billion in consumer spending - were accumulated by the growing roster of five million members. While scoping an initiative to expand the non-air rewards program and encourage non-travel mileage redemption, Web Development Manager for Aeroplan Sean Burke-Gaffney, along with Aeroplan's system architects, realized an improved web-based ecommerce platform was required. In addition, Aeroplan sought to offer members the convenience of redeeming Aeroplan Miles for Gifts and Indulgences via a "self-service" online model. The resultant efficiencies produced operating cost savings as well as a more convenient customer experience.

One of Aeroplan IT's guiding principles stated that they did not want to re-create the wheel but did want to retain in-house ownership of system architecture while combining existing resources with vendor expertise. The team also sought to avoid being locked into any proprietary technology as they wanted the ability to upgrade any component in the future. Initially, Aeroplan evaluated 30 ecommerce vendors, narrowing the list to three finalists for extensive Proof of Concept studies. While other candidate applications were prohibitively expensive, unfavorably proprietary or difficult to implement, Aeroplan found Elastic Path's flexibility and scalability to be an ideal fit.

"When we evaluated Elastic Path we thought it was too good to be true, no red flags," points out Burke-Gaffney. He continues, saying, "We didn't want a duct-tape solution, we wanted a round peg for a round hole." Elastic Path provided the exacting architectural fit, while also fitting Aeroplan's budget. Indeed, Burke-Gaffney estimates a Total Cost of Ownership savings of 3:1 or even 4:1 over the other ecommerce platform options but insists cost was not the primary factor and maintains that Aeroplan chose Elastic Path primarily for technical considerations including access to complete source code and the ability to adapt to existing architecture. Further, to implement the ecommerce initiative, Burke-Gaffney wanted a company experienced with an established customer base of similarly-sized companies. As such, Aeroplan found a worthy partner in Elastic Path's Professional Services department, which

worked closely with Aeroplan to perform the integration required to link up multiple systems and data sources. This multi-faceted task was accomplished smoothly while working within the confines of architectural decisions made in advance. In all, Elastic Path fit seamlessly into Aeroplan's service-oriented architecture. As Burke-Gaffney happily explains, "We didn't have to make any changes to fit into our architecture, we had a vision of how the whole thing would work and Elastic Path fit into that."

In terms of raw performance, Burke-Gaffney says they've had no issues whatsoever, pointing out that this stability is, "largely a function of EP and MySQL DB working together." He also reports that the application has never "gone dark." In addition, the improved process eliminated IT from the critical path of managing business-related change and created what Burke-Gaffney describes as "a car that runs by itself." Beyond the technical expertise, he described the Elastic Path Professional Services team as "swell guys."

Frank Chin, Solutions Architect at Elastic Path, notes that the project was particularly satisfying because they coordinated with several parties - spanning many time zones - in order to complete the project and even managed to finish ahead of schedule. Chin also notes that Elastic Path's flexible architecture eased the process of accommodating the varied items in Aeroplan's catalog and that the ability to publish in multiple languages and multiple currency options (or Aeroplan Miles in this case) was paramount to the timely success of the project.

Since launching in October 2005, Burke-Gaffney explains the response has been greater than anticipated with increased mileage redemption and "tremendous" member response. He describes the project in general as, "an unconditional spectacular success... Everybody from top to bottom on the business-side is ecstatic."

"Redemptions made during last year's Christmas period were huge, and the platform was a big part of that, so as a commercial venture, the project is an unmitigated success." "In all," Burke-Gaffney continues, "when we upgraded our platform, we basically went from fire light to neon light in one fell swoop."

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