



# The Eastern Miles Story

## Largest system migration in Loyalty



## Client Overview



China Eastern Airlines (CEA) is the second largest airline (by pax volume) in China and among the top 10 in the world. The airline was founded on June 25th, 1988 and is headquartered in Shanghai. CEA, along with its fully owned subsidiary Shanghai Airlines, offers a common loyalty program called "Eastern Miles". The combined Eastern Miles membership is over 32 million, making it one of the leading Frequent Flyer Programs in the world. CEA officially joined SkyTeam on June 21st, 2011.



## The Context

### Merger with Shanghai Airline

On June 8, 2011 after CEA's merger with Shanghai airlines, Eastern Miles became the official FFP of both the airlines. Serious system limitations undermined the unified loyalty proposition for both airlines.

### Joining SkyTeam

CEA joined 20 member SkyTeam alliance resulting in an intricate situation where it had to follow SkyTeam data exchange standards to communicate with alliance partners.

### Limitations of the Legacy System

Eastern Miles was powered by a decade-and-half old IT system having significant legacy footprints. The system was bloated and rigid enough to hamper loyalty competence.

### Scalability

The sudden increase in member volumes after the merger, combined with a surge in new enrolments was leading to

service deficiencies. These were caused by the limited capacity of the legacy system to support such a significant operation.

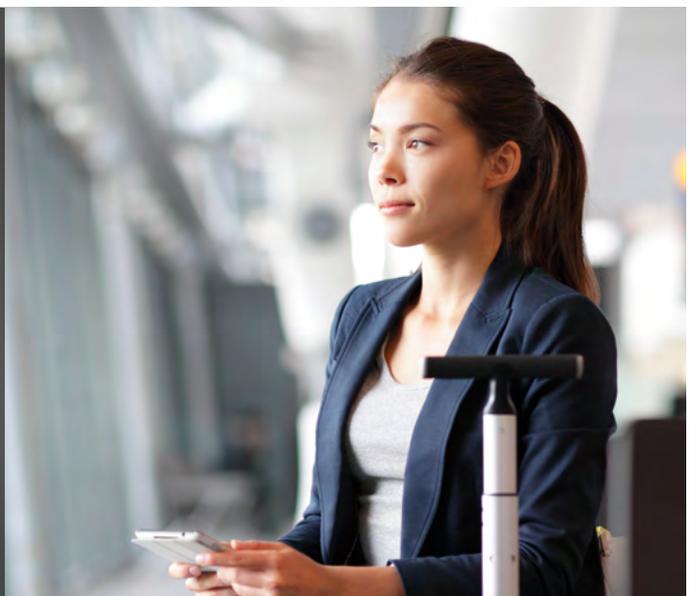
### Need to align with business roadmap

The new direction of business required remodelling the airline FFP to enhance customer service and maximize ancillary revenues. The new model required integration with an array of partners, self-service portals and other customer touch points. Efficient integration with a vast number of interfaces was not possible with the legacy system.

Required Process Optimization: Expansion of Eastern Miles required re-engineering of existing processes and introduction of lean and superior workflows. In the absence of necessary configurations in the system, it was difficult to manipulate current processes or initiate new ones in time.

China Eastern Airlines (CEA), after its merger with Shanghai Airlines (FM), faced the mammoth task of consolidating the member base of FM under its own flagship loyalty brand – the Eastern Miles. Handling the combined member base through legacy system was expected to fetch less than optimal results.

With the help of IBS state-of-the-art loyalty solution – iFly Loyalty, CEA not only managed a smooth transition of 30 + million members but also attained operational efficiency that successfully modeled Eastern Miles as a profit center.





## The Solution

To meet the specific post-merger requirements and to maintain its business leadership in the region – CEA, with its system integrator Arvato, chose IBS and iFly Loyalty to enhance the Eastern Miles proposition. In July 2014, Eastern Miles went live with iFly Loyalty – the advanced, flexible, and scalable loyalty platform from IBS. The end-to-end IBS solution included:

### Process re-engineering

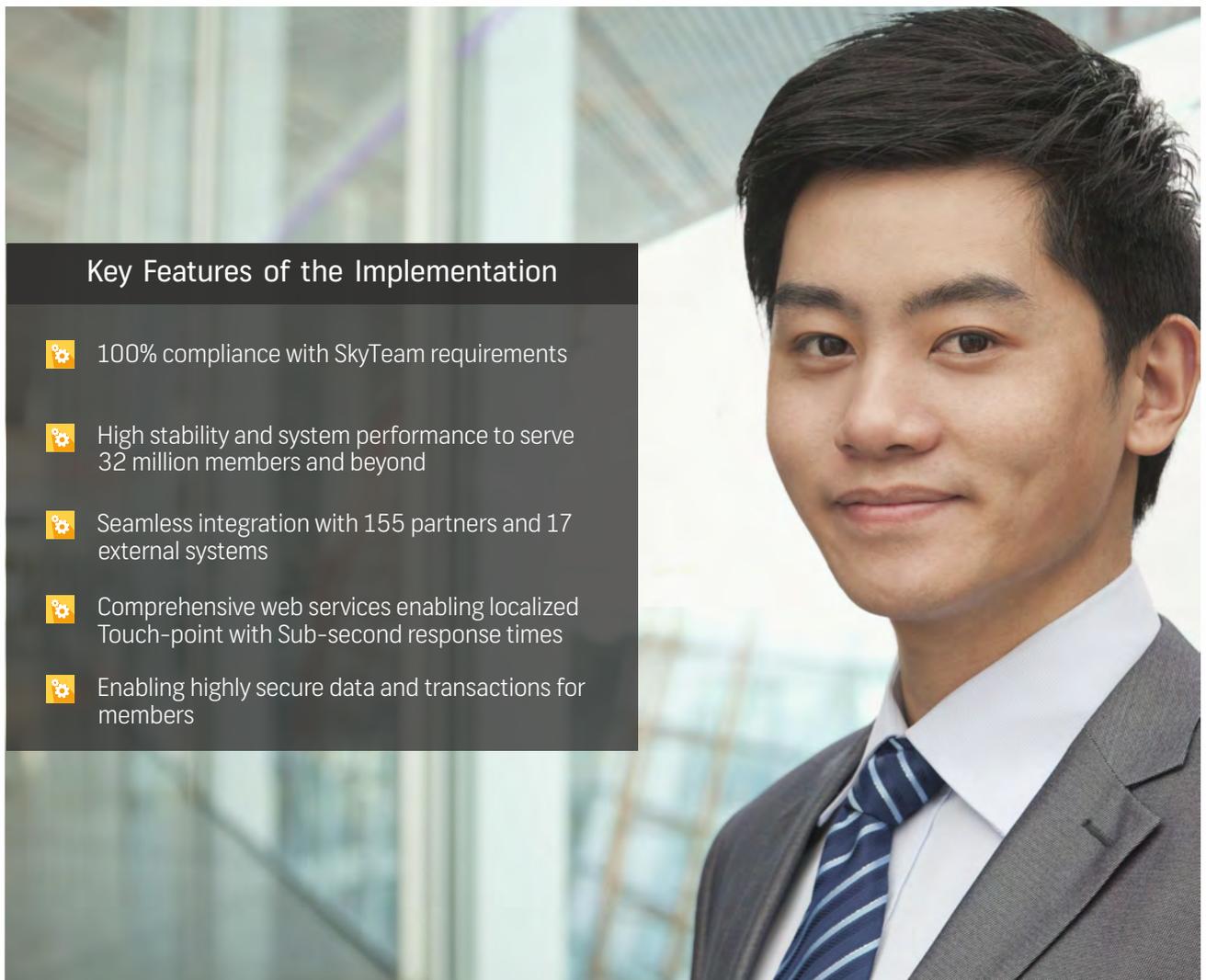
Due to fragmented system layout, processes at Eastern Miles were interdependent and required manual intervention. Jointly with the CEA experts, the onsite IBS team consolidated disjoint processes into organised and privilege controlled workflows within the iFly Loyalty platform.

### A flexible platform for a responsive Loyalty model

The solution addressed the key CEA objective to stay lean and be responsive to the loyalty ecosystem. A range of mission critical functions like business rules, program structure and partnerships were supported through front-end configurations that are easy to change according to business strategy.

### NFR optimization to support large member volumes and transactions

CEA was having concerns about the performance and scalability of its existing system. The new solution brought with itself the capability to serve the existing member base of 32 million and scale up without compromising on performance. Also, to interact with a large number of touch points, the web service responses were optimized.



#### Key Features of the Implementation

-  100% compliance with SkyTeam requirements
-  High stability and system performance to serve 32 million members and beyond
-  Seamless integration with 155 partners and 17 external systems
-  Comprehensive web services enabling localized Touch-point with Sub-second response times
-  Enabling highly secure data and transactions for members



## Key Results

Smooth transition from a complex legacy system to the efficient, robust, flexible and scalable iFly Loyalty platform. The transition involved massive migration of 32 million members and 340 million transactions within a constricted cut over window.

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Frictionless migration of  
**32 million** members and  
**340 million** transactions

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### **Operational ease through purpose-built user interface**

User interfaces, designed for a fully localized presentation, offered great operational ease to efficiently manage key loyalty processes. iFly Loyalty's comprehensive coverage of associated loyalty processes helped digitize these processes, leading to reduced manual input and offering error free workflow outputs.



### **Holistic Way to Manage Loyalty**

The new platform's unique messaging capability allows users to define message formats, protocols and schedules in easy and quick steps. This not only made integration with existing third party systems easy, but also allowed CEA to continue integration with further backend systems so as to eliminate redundant processes/systems and manage loyalty in a much more holistic way.



### **Getting ready as SkyTeam member**

iFly Loyalty's compliance with SkyTeam specific requirements allowed CEA to maximize the alliance benefits. The new platform allowed CEA to share loyalty data according to SkyTeam's data exchange standards. To meet the alliance's redemption model, iFly Loyalty dealt with more than 1100 redemption rewards.



### **Re-modelled Eastern Miles as a profit centre**

iFly loyalty drastically reduced the time taken to get a new partnership operational (includes creating new partner profile, set-up associated partner contract and configure business rules unique to the added partner). This helped CEA reap business benefits by quickly expanding its partner network and therefore attracted higher revenues in the form of partnership fees, commissions and point sales.

