



The quote in the subject line is from travel industry analyst and founder of Atmosphere Research, Henry Harteveldt. That's how Henry responded when I asked his reaction to the launch of Flycoin, the new program that rewards travelers with cryptocurrency tokens called, "Fly."

The program seeks to solve a problem that may not exist.

Flycoin is presented as both an attractive alternative to points or miles – they believe the economics of their currency will help mitigate reward liability issues for airlines – and as a boon for travelers who would have more choices when redeeming Fly cryptocurrency versus points or miles, usually limited only to the issuing program.

No one can argue that more flexibility would be desirable for many customers, but consumers who place a premium on choice probably are already using programs with flexible currencies, such as Amex Membership Rewards or Chase Sapphire Rewards.

As cryptocurrencies remain largely an investment vehicle rather than a truly useful consumer exchange medium, we do not hear customers saying, "Gee, I wish my loyalty programs would pay me in crypto." Especially at this moment, when most news from the crypto world seems to be about crashing values and imploding companies. As Henry observes, "I just don't see a clamoring for this."

Customers certainly have issues with existing loyalty programs, but their concerns are typically about how long it takes to earn rewards, and how difficult it can be to redeem them – problems a cryptocurrency would not address.

In fact, there is a slightly absurd air to this discussion, since points and miles are already virtual. Harteveldt put it this way: "Who cares about whether your virtual currency is even more virtual?"

Your thoughts?

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