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Fliers wonder if there's no such thing as a free ride; Cashing in miles for tickets is getting tougher

By Barbara De Lollis, USA TODAY

IdeaWorks contributed information to this article (see italics) and provided the data displayed in the graph.

The proportion of domestic airline passengers traveling on free tickets continues to diminish, the result of changes in mileage programs and consumer preferences.

For the 12 months ended June 30, about one in 16 passengers traveled on a ticket bought with airline miles. That compares with about one in 14 two years earlier, according to an analysis of domestic flights of the 10 biggest U.S. airlines by Back Aviation Solutions for USA TODAY. Behind the reduction: Tighter restrictions by the airlines and a growing preference of travelers to save their miles for non-airline goodies like hotel rooms or more expensive foreign travel.

Jay Sorensen, president of IdeaWorks, an independent airline consulting firm that tracks loyalty programs, says financially troubled airlines have been setting aside fewer seats for award travel. Meanwhile, demand from paying customers remains high. Airlines' goal is to raise revenue, even at the expense of angering loyal customers, he says. "Consumers are becoming fed up with earning miles and not being able to redeem them," Sorensen says.

Southwest tightens supply

Next month, even discount king Southwest -- long considered the airline with the most liberal rules -- will for the first time begin limiting the number of award tickets on some high-demand flights.

Redemption rates haven't been dipping at every big airline. At Continental, where the rate has been flat, spokesman David Messing credits the airline's growth in the USA. Other carriers that are shrinking their U.S. presence, he says, "need to address the issue of fitting a growing reward base into fewer seats."

Burning up more miles

Reduced availability of free travel comes at an unfortunate time for Delta frequent flier James Wilson, who lives near Santa Barbara, Calif.

He's tried to use the airline's SkyMiles credits to fly his wife and youngest daughter to see him in Atlanta, where he temporarily moved for his job. But he's found seats available only at the 50,000-mile rate, about twice what he'd expect to pay and normally enough for an international flight. Rather than burn too many miles, Wilson is buying cheap tickets on the Internet and saving the miles for something bigger.

"It's been nothing but a hassle," Wilson says.

Other frequent fliers have learned to adjust to the new reality.

When Baltimore investment banker Mark Klausner cashed in United miles for a family ski vacation in Colorado in March, he says he needed to burn 40,000 miles per ticket for six tickets instead of the standard 25,000 miles.

"The 25,000-mile tickets were sold out," he says.

Not everyone's bothered by the changes.

American frequent flier Jean-Noel Moneton of New York says he's had "no complaints" about redeeming miles for family trips to Paris and other cities. He's redeemed over 6million miles for free tickets in the past decade, he says. For their next trip in April, he booked award tickets eight months in advance.

Free ticket with a catch

Bailey Allard of Chapel Hill, N.C., had only good things to say about an American Airlines agent who searched for 45 minutes for award-travel tickets between Nashville and Bangkok for her sister-in-law. She's paying for her sister-in-law Carol Westlake's first-ever trip to Asia, using 110,000 miles for a business-class ticket.

But there was a catch. Since there was no availability on direct routes, Westlake will have to make stops in Chicago and then Seattle on her first day of travel. The next day, her free-ticket odyssey will take her to Vancouver, Tokyo and finally, Bangkok.

Allard, who'll take a more direct flight, paid \$4,400 for her business-class ticket.

Frustrated fliers may take some comfort in Sorensen's view that, until now, airline customers have been relatively isolated from the airline industry's disastrous finances.

"Quite frankly, consumers are lucky that they have not taken the same kick in the pants that the shareholders and employees have," Sorensen says.