

The Boston Globe

Frequent-flyer restrictions not sitting well

Travelers find it hard to cash in miles for seats

By Peter J. Howe, Globe Staff
June 4, 2006

IdeaWorks contributed information to this article - - see italics.

As a 100,000-mile-a-year traveler in the computer security business, Dave Rivard loves racking up frequent-flyer miles.

He just wishes he could use them more often.

For the past month, the 44-year-old executive from Cumberland, R.I., has been checking in with two airlines several times a week trying to find a free round-trip ticket to Rome this summer as a high school graduation gift to his daughter. So far, no luck.

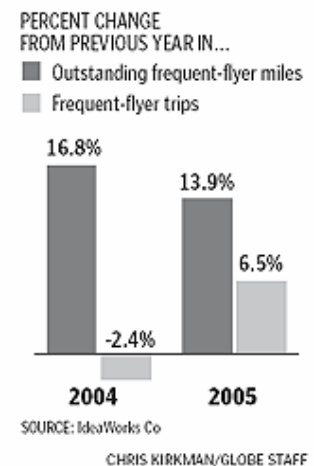
“Getting seats on flights with your miles has become increasingly difficult,” said Rivard, who has 235,000 miles on US Airways and 65,000 on Northwest Airlines.

Complaints like Rivard's are growing louder and more widespread as passengers rack up miles far faster than they are redeeming them, because profit-starved airlines are cutting back available seats. The hassle of cashing in accumulated miles ranks high, along with delayed flights and lost bags as a chronic gripe.

After falling by 2.4 percent from 2003 to 2004, the number of “reward tickets” obtained with frequent-flyer program points grew by 6.5 percent last year at the nine biggest US airlines, according to a new study by IdeaWorks Co., a Wisconsin consulting firm that follows frequent-flyer programs. The 15.6 million reward tickets issued last year represented 3 percent of all passengers carried by the nine airlines.

But the total number of frequent-flyer credits racked up by consumers last year soared more than twice as fast as they were redeemed, jumping 13.9 percent. Not only are passengers gaining miles by flying, but millions are using credit cards that have partnered with airlines giving travelers points toward flights for every dollar spent.

In many cases, cardholders get extra bonus points when they charge everything from cellular phone bills to restaurant tabs.



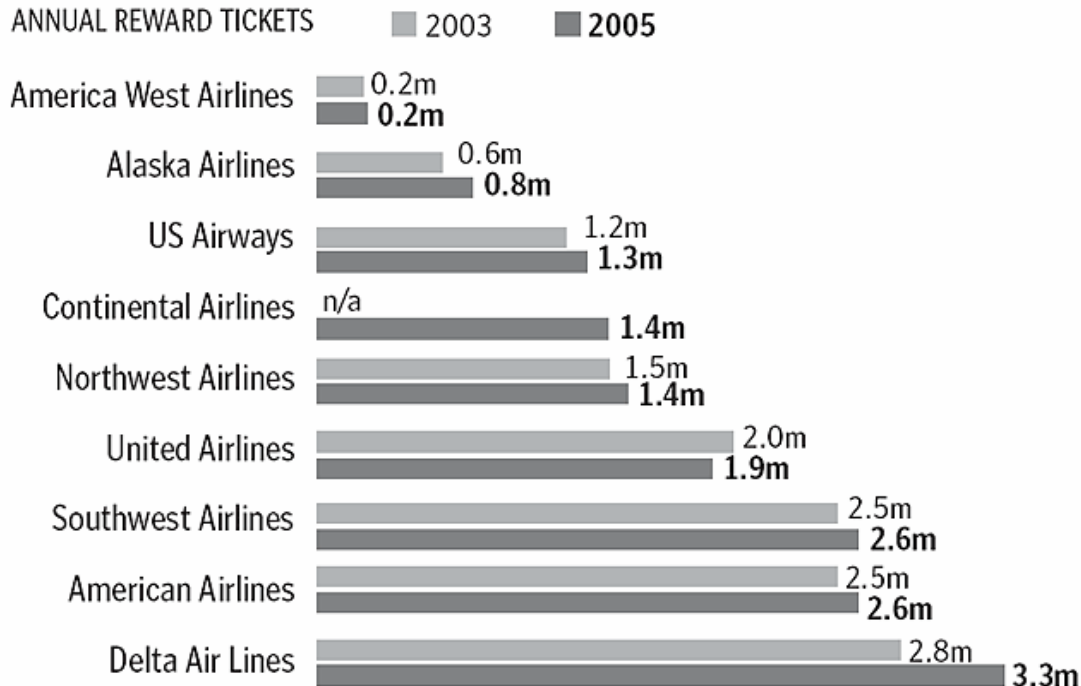
For years, customers have typically had to accrue 25,000 miles worth of flying or 25,000 equivalent points from a credit card to get a free domestic round-trip ticket, although now many more flights require 50,000.

Airlines also sharply restrict when and where frequent-flyer tickets are available, often offering them only on very early, midday, or late-night flights that business travelers shun, or requiring connecting flights through a busy hub instead of a non stop.

Making it all worse: Financially struggling and bankrupt airlines have cut available seats up to 8 percent in the last year, according to the Air Transport Association, as carriers try to cram more passengers onto smaller, fuller planes to improve profits and offset soaring jet fuel prices.

“These programs are mildly addictive, but they're certainly very frustrating if you're a family of four that's looking to go someplace fun in the summer -- lots of luck,” said IdeaWorks president Jay Sorensen . “You can't even get one seat to go to a lot of places, unless it's Cleveland in February. There are just so many miles chasing so few seats.”

At US Airways and America West, which merged last fall, the number of reward tickets issued at the two airlines dropped by 181,000, or 10.5 percent, between 2004 and last year, according to the IdeaWorks study.



SOURCE: IdeaWorks Co

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US Airways spokeswoman Valerie Wunder said she was sorry but not surprised to hear of Rivard's hassles getting a ticket to Rome.

“May and June is a really high travel time for Europe,” Wunder said. “Passengers have been traveling much more over the last year, and you're competing with everybody who's traveling. If you can be flexible about when you're traveling, that's going to help a lot.”

“I'm not saying we're trying to make it more difficult” to redeem seats for frequent-flyer miles, Wunder said. “We're definitely not trying to do any scaling back.”

Travelers are skeptical of assertions like that.

“There are so many blackout dates and restrictions on the number of seats that several airlines are right on that fuzzy line of fraudulent advertising,” said Peter Tribeman, who is chief executive of Atlantic Technology, a Norwood maker of high-end home theater speakers, and belongs to frequent-flyer programs with American Airlines, Continental Airlines, and JetBlue Airways.

Brian LeBlanc, a technology consultant from Gardner who has racked up 150,000 miles on Continental Airlines, agreed that many frequent-flyer programs are “borderline false advertising,” especially those that promise free domestic tickets for 25,000 miles or international for 50,000.

“Unless you are booking the flight almost a year in advance, it is hard to be a chooser at the lowest mileage levels,” LeBlanc said.

One rare area where the programs get praise is allowing passengers to book frequent-flyer-mile tickets on airline websites, rather than dealing with an agent.

“Technology has made redeeming miles for flights easier than booking a manicure,” said Cynthia Gordon, a member of five mileage programs who commutes weekly from Wellesley to her marketing job at Universal Studios in Orlando, Fla.

But Jeff Robertson, managing director of Delta's SkyMiles program, said despite several upgrades in the last year at his site to let people search for and book award tickets online, “What you see right now is not ideal. It's good. It's not great.”

By year's end, Delta will upgrade the site to let people search a wider range of dates when you can use SkyMiles, making it easier to find limited seats. And early next year consumers will be able to redeem online Delta miles for flights on business partners Continental and Northwest.

Proving that SkyMiles are worth accumulating and easy to redeem is key, Robertson said, because “there probably is more pressure from customers now.”

American was the first airline to offer a frequent-flyer program, AAdvantage, in 1981. Airlines used the programs to cement customer loyalty, especially among business travelers who get their employers to pay for their flights based on their mileage programs. But the rise of discount carriers like Southwest and JetBlue has cranked up pressure on all airlines to compete on price as well as mileage programs, though the low-fare airlines also offer frequent-flyer plans.

Hugo Burge, vice chairman of CheapFlights.com, which runs British and US travel-purchase websites, said that "there is an obsession about air miles in America." But he wonders if the industry is nearing "a tipping point" when frustrated travelers will bail out in droves and cancel their airline-affiliated credit cards.

"There seem to be more and more rumblings from consumers about not being able to get tickets," Burge said. "It does feel a bit like a house of cards that's going to come crashing down."