



Airline rewards shrouded in mystery

By Steve Huettel, St. Petersburg Times Staff Writer
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IdeaWorks contributed information to this article - - see italics.

Airlines do a great job churning out numbers.

They regularly report statistics like cost per available-seat mile, break-even load factor and passenger-mile yield.

But how about providing figures that help answer a mystery for their frequent fliers: What are my chances of getting a free ticket where I want to go?

The first airline frequent flier programs turned 25 years old last month. And you don't need to watch the credit card commercials with David Spade as the call center "no man" to know frustration over availability of free tickets is at an all-time high.

"This is the critical issue facing these programs," says Tim Winship, publisher of FrequentFlier.com, a travel Web site. "It's what people are up in arms about."

Unfortunately, airlines reveal precious little information to judge the value of their programs.

In regular financial reports, carriers list how many frequent flier award tickets they give away and the number of miles customers hold in their accounts.

A travel industry consultant crunched the figures from the nine largest airlines. The Idea Works Co. reported that airlines awarded more free tickets last year than in 2004 - a record 15.6-million, up 6.5 percent.

The Big Nine, however, gave away miles even faster. The value of their unredeemed miles jumped nearly 14 percent to a staggering \$3.8-billion last year.

Most of the growth came from airline-branded credit cards, says Idea Works president Jay Sorensen.

His conclusion: Banks that issue cards are leaning on carriers to give up more free tickets so customers don't switch to cards like the one Spade pitches, in which banks buy award tickets from the airlines.

But he admits that analyzing the scant information airlines provide is "like reading tea leaves."

The real question isn't how many tickets airlines give away. It's how often frequent fliers can get the destinations they want on the days and times they want to travel.

Kurt Stache, president of the American Airlines AAdvantage program, has said 90 percent of the time, members get the city they originally requested and more than 70 percent get "roughly the flight times" they first asked for.

Consumers should view those numbers with some skepticism, says Winship.

He has long argued that the federal government should compel airlines to report the percentage of free ticket requests they fulfill just like they report on-time performance and numbers of mishandled bags.

"Now, it's a black box," Winship says. "You have no idea what your odds are of being able to redeem those miles on any route or on any day."