



British Airways Greatly Boosts Reward Seat Availability, and Entire Industry Shows Dramatic Improvement

The 10th annual Reward Seat Availability Survey finds Southwest, JetBlue, Etihad Airways and Turkish Airlines atop the rankings.

Shorewood, Wisconsin, USA, 26 June 2019 – The **IdeaWorksCompany Reward Seat Availability Survey** answers the question, “How easy is redemption for the most popular basic reward type offered by the world’s top airlines?” This year’s survey assesses 20 top airlines, with Etihad, Qatar, and Singapore as newcomers for 2019. Key findings include:

- Higher priced air rewards provide more seats and also add complexity.
- Discounted air rewards provide more value during periods of lower demand.
- Frequent flyer programs are adding more partner reward flights to online booking engines.

The net result of the above findings is better reward seat availability for 2019 compared to 2018. Of the frequent flyer programs surveyed this year, 13 provided better overall reward availability for 2019, with only three programs showing decreased availability. That’s a meaningful improvement, with two carriers exhibiting big year-over-year availability improvements. British Airways jumped 17.9 points to an overall reward seat availability score of 80%, and Korean Air increased 15.4 points to 84%. The survey also captures average reward prices for top markets within the US for six key airlines. Here too the trend for consumers is positive with the unweighted average air reward price (reflected as miles or points) dropping 17% since 2014.

Reward Seat Availability Survey – Sample of Statistics	2019	2014
80% or better long-haul reward availability	7 FFPs	2 FFPs
Average reward North America reward price in miles/points*	18,243	22,002
Average number of airline partners displayed in queries	5.5 airlines	3.2 airlines
Low to high range of monthly availability results (June-October)	70% to 90%	64% to 79%
<i>*Unweighted result. Sources: 2014 and 2019 Reward Seat Availability Surveys</i>		

“Frequent flyer programs are indeed masters of their own ships. The results from ten years of economy class reward seat research demonstrate airlines can boost access to basic rewards to improve member satisfaction. This has clearly occurred with British Airways, Korean Air, and United for 2019. IdeaWorksCompany also tracks average reward prices for key US programs. Many consumers may be surprised by this, but these have fallen approximately 5 to 27 percent in the last five years. For consumers who seek economy class reward travel, the developments for 2019 are positive”, said Jay Sorensen, President of IdeaWorksCompany.

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The following table summarizes the overall reward availability results of the 2019 survey, which reflects the combined results of medium-haul routes (251-2,500 miles) and long-haul routes (2,500+ miles) as applicable by frequent flyer program:

Reward Availability Survey Overall Economy Class Reward Availability Ranked High to Low – Seat Availability June through October, 2019				
Rank	% Total Availability	Airline	Program Name	Change from 2018 to 2019
1	100.0%	Southwest	Rapid Rewards	<i>No change</i>
2	99.0%	Etihad	Guest	<i>New for 2019</i>
3	98.0%	JetBlue	TrueBlue	↑3.7 points
	98.0%	Turkish	Miles&Smiles	↑3.0 points
4	95.0%	Air Canada	Aeroplan	↓(1.4) points
5	94.0%	Singapore	KrisFlyer	<i>New for 2019</i>
6	92.0%	Lufthansa/SWISS/Austrian	Miles & More	↑0.6 points
7	85.0%	Qantas Group	Frequent Flyer	↓(5.7) points
	85.0%	United	MileagePlus	↑9.3 points
8	84.0%	American	AAdvantage	↑1.9 points
	84.0%	Korean Air	Skypass	↑15.4 points
9	80.0%	British Airways	Executive Club	↑17.9 points
10	78.0%	Alaska Group	Mileage Plan	↑8.7 points
11	74.0%	Emirates	Skywards	↑8.3 points
12	72.0%	Air France/KLM	Flying Blue	↑9.1 points
13	66.0%	Cathay Pacific	Asia Miles	↑4.6 points
14	62.0%	Delta	SkyMiles	↓(10.1)
	62.0%	LATAM Airlines	LATAM Pass	↑7.0 points
15	56.0%	Scandinavian	EuroBonus	↑8.1 points
16	46.0%	Qatar	Privilege Club	<i>New for 2019</i>

% of Total Availability = Percent of queries that result in outbound and return reward seats.

The Survey Measures Low-Priced Everyday Reward Availability

The IdeaWorksCompany Reward Seat Availability Survey is based upon 3,975 booking and fare queries made by the IdeaWorksCompany at the websites of 20 frequent flyer programs to assess low-priced everyday reward seat availability. Everyday rewards are an important benefit for most members and the primary topic of this survey. The “% Total Availability” column represents the frequency of queries which produced one or more available flights for a roundtrip pair of travel dates. A minimum of two seats was required for each outbound and inbound reward query.

Long-Haul Reward Availability Sees 22+ Point Improvement in 5 Years

The Etihad Guest and Turkish Miles&Smiles programs sit at the top of the long-haul reward availability table with a nearly perfect 98% result. Out of 200 long-haul queries (2,500+ miles) for each airline, only 4 flights did not provide reward seats at the low-priced everyday level. It's difficult for airlines to perform well in the long-haul category because flight frequency is almost always lower than shorter-haul routes. For example, Turkish Airlines operates a daily flight between Istanbul and Beijing; Lufthansa operates more than 18 daily flights, on average, between Berlin and Frankfurt.

Long-Haul Flights Economy Class Reward Availability (2,500+ miles) Ranked High to Low – Seat Availability for June through October, 2019				
Rank	% Total Availability	Airline	Program Name	Change from 2018 to 2019
1	98.0%	Etihad	Guest	<i>New for 2019</i>
	98.0%	Turkish	Miles&Smiles	↓(0.6) points
2	94.0%	Air Canada	Aeroplan	↓(0.3) points
3	92.0%	Singapore	KrisFlyer	<i>New for 2019</i>
4	84.0%	Lufthansa/SWISS/Austrian	Miles & More	↓(0.3) points
5	82.0%	American	AAdvantage	↑10.6 points
6	80.0%	United	MileagePlus	↑7.1 points
7	78.0%	British Airways	Executive Club	↑29.4 points
8	74.0%	Qantas Group	Frequent Flyer	↓(7.4) points
9	70.0%	Cathay Pacific	Asia Miles	<i>No change</i>
	70.0%	Korean Air	Skypass	↑31.4 points
10	66.0%	Alaska Group	Mileage Plan	↑14.6 points
11	64.0%	Emirates	Skywards	↑1.1 points
12	52.0%	Air France/KLM	Flying Blue	↓(8.0) points
13	46.0%	Delta	SkyMiles	↓(5.4) points
14	44.0%	LATAM Airlines	LATAM Pass	↓(4.6) points
15	40.0%	Qatar	Privilege Club	<i>New for 2019</i>
16	20.0%	Scandinavian	EuroBonus	↑12.9 points

% of Availability = Percent of queries that result in outbound and return reward seats. 18 of the 20 programs were queried for long-haul reward availability. For these carriers, 2,500+ mile routes represented a meaningful portion of overall flight activity.

The trend here is positive for consumers. Back in 2014, average reward availability was 47.2% in the long-haul category. This year shows an average result of 69.6%, which represents a 22.4-point increase over 5 years. British Airways and Korean Air made an exceptional effort to boost their reward availability. American and United, while achieving smaller increases, likely represent much larger outcomes due to their size. It's notable that both airlines show such good results for long-haul routes, which include the popular transatlantic market.

US-Based Members Benefit from Lower Reward Prices

Delta SkyMiles introduced a period of change for the world’s network airlines when it stopped using reward charts in 2015. Disappearing was the certainty that 25,000 miles represented a roundtrip low-priced everyday reward ticket in the US. United MileagePlus will further this process when it ends reward charts in November 2019. Variable pricing was introduced after 2014, which requires higher mileage redemption as a flight fills up. Fortunately for consumers, airlines have also lowered reward levels to encourage redemption on off-peak dates and for less popular routes. For example, survey queries revealed an 11,500-mile reward on American for a DFW – Las Vegas roundtrip, and 13,000 miles for an Atlanta – Fort Lauderdale roundtrip reward . . . both far below the traditional amount of 25,000 miles.

Average Reward Prices for 2019 – Top North American Airlines Top 251 - 2,500-mile reward markets, economy class rewards				
Airline	Program Name	Average Reward Price		Change from 2018 to 2014
		2019	2014	
Southwest	Rapid Rewards	7,367 points	7,887 points	-6.6%
JetBlue	TrueBlue	16,708 points	17,626 points	-5.2%
Alaska Group	Mileage Plan	17,000 miles	23,429 miles	-27.4%
Delta	SkyMiles	19,680 miles	26,179 miles	-24.8%
American	AAdvantage	23,700 miles	29,107 miles	-18.6%
United	MileagePlus	25,000 miles	27,786 miles	-10.0%

Based upon 50 mileage- and point-level queries for each airline at the lowest available reward price.

The effect of these changes has been a lowering of overall reward prices by 17% since 2014. The above chart commingles results for mileage- and points-based program. It’s a fair comparison, because the majority of miles and points for these major airlines are now accrued through co-branded credit card activity. The standard rate of accrual for these cards is 1 mile or 1 point per US dollar charged, so in effect miles and points are largely equivalent across the six programs. Another factor causing lower reward prices is the presence of low cost carriers, such as Allegiant, Frontier, and Spirit. These airlines have entered big markets at major hubs, which has placed downward pressure on regular airfares. This has also affected variable reward prices in the manner demonstrated by the results shown in the table above. So the next time you score a deal on a reward ticket, you can thank a low cost carrier for contributing to your savings.

Members Have More Choices – But Also More Complexity

The results from the 10th annual Reward Survey indicate better availability is greeting almost all consumers for 2019. Airlines seem to be deploying a branded fare approach by offering an array of rewards priced at different mileage and point levels. For example, Cathay Pacific now offers “Standard, Choice, and Tailored” economy class rewards. Etihad is even more complex with five different economy reward types: Guest, Deal, Saver, Classic, and Flex. The desire is to create reward seat availability no matter what the load factor for a flight. However, with some airlines (Etihad excepted), these reward choices often don’t deliver added benefits for the higher price paid. In effect, consumers are simply paying more for the same seats on the more popular flights.

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These methods are creating more reward availability for members. IdeaWorksCompany does offer a caveat here. The results in the survey reflect the availability of the everyday reward types, which often is the lowest-price reward offered by an airline. The higher-priced rewards allow consumers access to more seats, but don't improve the percent of total availability displayed for each airline in the survey results tables.

Airlines have also implemented reward sale promotions. For example, American introduced Economy Web Specials (EWS) for select flights and dates which are priced below its MileSAAver award level in the economy cabin. EWS awards are available exclusively on aa.com. Lufthansa Miles & More promotes an array of discounted rewards: Fly Smart, Mileage Bargains, and Early Bird with savings described as 50% and 65% off regular reward rates. The complexity of all these reward types can be difficult to comprehend, especially for everyday members who infrequently redeem. By comparison, the pay-with-points method used by JetBlue and Southwest, is transparent, easy to understand, and readily bookable.

Most airlines promote the value of their network relationships, especially those involving the three major alliances. Traditionally, booking partner rewards at websites has been impossible or elusive. This is changing, and every year this survey is conducted, more and more partner airlines appear in the booking results. Back in 2014, an average of 3.2 partner airlines per program were displayed in the queries. For 2019, this increased to an average of 5.5 airlines. As an example, these 12 airlines contributed to United's query results: Aegean, Aer Lingus, Air Canada, Austrian, Brussels, Ethiopian, Hawaiian, LOT Polish, Lufthansa, Scandinavian, SWISS, and TAP Portugal.

Frequent flyer programs have evolved to become complex beasts. When programs were launched nearly 40 years ago they offered a single first class reward available on any flight without capacity controls. Programs have focused too much on the sale of miles and points to partner accrual networks rather than building loyalty to the airline. For 2018 the major airlines in the US posted revenue of nearly \$19 billion attributed to frequent flyer programs, notably from the sale of miles and points to their bank partners. For decades airlines have chased this rich vein of revenue ore. The results of the 2019 IdeaWorksCompany Reward Seat Availability Survey demonstrate airlines are taking a more balanced approach which acknowledges the need to make reward programs . . . rewarding again.

IdeaWorksCompany offers an FAQ – Frequently Asked Questions document at the press release section of the IdeaWorksCompany.com website.

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Notes regarding reward query methodology: Booking queries for a party of two travelers were made at frequent flyer program websites during March 2019. For each airline, 100 specific dates from June through October were used to conduct 200 survey queries (100 queries for airlines lacking long distance networks) and only economy class reward seat availability for travel on the date specified was recorded; any departure time was acceptable. Furthermore, reward travel had to be available on the outbound and return dates queried. Any connection displayed was acceptable except those requiring ground transfers flights between different airports such as New York LaGuardia and JFK.

Survey results reflect the availability of low-priced everyday rewards (capacity controlled seats) with two exceptions. For JetBlue, rewards priced at 25,000 points (roundtrip) qualified as reward travel. For Southwest, rewards priced up to 25,000 points (roundtrip) qualified as reward travel. These levels are essentially equivalent to the 25,000-mile price used by major US carriers for domestic reward travel.

The top 10 routes (based upon total seats offered for sale during a 12-month period) longer than 2,500 miles and the top 10 medium-haul routes (251 to 2,500 miles) were selected for each airline. Due to a lack of long-haul routes, the top 10 overall routes were queried for these airlines: JetBlue and Southwest.

About IdeaWorksCompany: IdeaWorksCompany boosts airline profits through innovations in ancillary revenue, a la carte pricing, and loyalty marketing. The firm was founded in 1996 and has an international client list of airlines and other travel industry firms in Asia, Europe, the Middle East, and the Americas. IdeaWorksCompany enjoys a reputation as a global resource for ancillary revenue strategy, on-site executive workshops, and research reports. Learn more at IdeaWorksCompany.com.

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