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THE MIDDLE SEAT | SCOTT McCARTNEY

# The Most Rewarding Awards

Airlines have finally figured out that they need to make free seats more available

**T**hose stingy airlines have had a change of heart with their frequent-flier programs. They've made more award seats available, and are bringing down the prices in miles or points, too.

United and American both had economy seats available at their standard saver award level on about 85% of searches in an annual survey of award-seat availability conducted by consulting firm IdeaWorks. Two years ago, American had seats open only about half the time on dates and routes IdeaWorks queried, and United was only at 65%.

The laggard to the trend: Delta. The Atlanta-based carrier had seats available on 62% of searches this year, down 10.1 percentage points from 2018.

Travelers often complain that airlines don't have seats available at their lowest award levels, and individual searches still frustrate frequent fliers, especially for peak travel periods. But the survey shows prices in miles or points really are coming down at U.S. airlines.

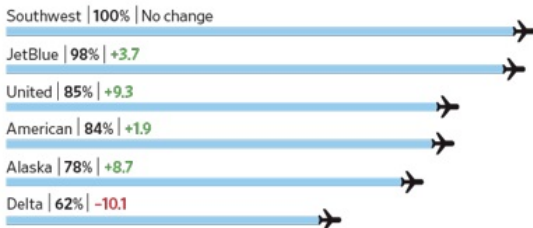
American's average domestic coach ticket, for example, required more than 29,000 miles five years ago in the survey. Now it's 23,700 miles, IdeaWorks says. Overall, average award prices for trips within the U.S. are down to 18,243 miles round trip, a 17% drop compared with five years ago. But flier beware: At some airlines, reduced-mileage awards come with more restrictions than higher-mileage tickets.

IdeaWorks president Jay Sorensen says award programs have needed to become more generous.

## Closer to Free

How the six major U.S. airlines stack up in a survey of frequent-flier rewards availability.

AIRLINE | PERCENTAGE OF SEAT AVAILABILITY | POINT CHANGE FROM 2018



Note: The research in March looked for two award seats on each airline's 10 busiest long routes and 10 busiest medium-length routes for 14 different round-trip dates between June and October

Source: IdeaWorks

Among the biggest factors: They're feeling pressure from credit card companies that buy billions of dollars of miles from airlines each year as rewards on credit cards. If it's too difficult to redeem the miles, consumers will switch to other cards with rewards they can actually use.

"This really has been forced upon them," Mr. Sorensen says.

People now earn more miles on the ground than from flying, largely through credit cards. Airlines get paid for those miles, so the seats are no longer considered "free" at airlines. Considering them as paid seats has made it easier for airline revenue managers to boost availability.

"For domestic economy travel, these programs seem to be working really well now," Mr. Sorensen says. "If you go beyond that to interna-

tional business class, we know the story is not rosy."

In March, IdeaWorks searched for two award seats together on various travel dates between June and October on each airline's busiest routes. Seats have to be available at the airline's lowest everyday price—typically 25,000 miles round trip for a domestic coach ticket. The company made nearly 4,000 queries.

The survey confirmed what any traveler knows: Award seats are hard to score in the summer. July and August had the lowest success. It got noticeably easier to find seats in the fall, when demand for tickets weakens and prices get cheaper. You can find the same tight supply for award seats around winter holidays, when even though many airlines no longer have blackout periods, they make few seats available

at their lower award levels.

Southwest topped the survey once again, with JetBlue close behind. Both airlines price awards directly on what the cash fare would be. For domestic coach tickets, IdeaWorks looks for round-trip seats at 25,000 miles or points—the traditional "saver" level.

Southwest had seats cheaper than 25,000 points round trip on 100% of the flights searched; JetBlue had 98%.

Several international airlines showed strong availability as well. Abu Dhabi-based Etihad and Turkish Airlines both had seats available better than 98% of searches; Lufthansa, Singapore and Air Canada, all partners of United, had seats open on better than 90% of searches.

U.S. airlines benefit from strong availability from partners, since members of their frequent-flier program can redeem miles on allied airlines. United says trans-Atlantic passenger traffic on frequent-flier awards increased 10% on its partners in the past year.

Mr. Sorensen says that in broad terms, about one-third of the availability increase seen at U.S. airlines came from partners and two-thirds from their own flights opening up more seats.

United and American say they started a major effort to make miles more usable for customers two years ago.

United says it changed its award pricing to be more flexible than strict award charts, which had domestic coach tickets at either 25,000 miles or 50,000 miles round trip. It changed the top level to 65,000 miles. But many seats on flights came down in price, too, says

Michael Covey, managing director of United's MileagePlus program.

More have come down than gone up, and the number of domestic saver awards redeemed by customers has gone up 10% year-over-year, he says.

While international business-class awards can be very difficult to score, United is focusing on award seats in the economy cabin. Even frequent fliers with big mileage-account balances often want to take family and friends on trips with their miles. They're liable to look for three and four coach seats rather than a business-class ticket that may cost three or four times as much as a coach seat. In November, United will do away with its award chart completely. "The constraints of the award chart didn't really match supply and demand," Mr. Covey says.

American had a huge jump in the IdeaWorks survey last year, vaulting to 82% from 54% and moving from lowest availability among U.S. airlines to No. 3 behind Southwest and JetBlue. This year American inched up a bit more.

American says it has been targeting increases in award-seat availability to flights that have the highest demand for award seats. Some of those are long flights to Europe and Hawaii. In 2012, American had award seats available on only 17% of trips surveyed that were longer than 2,500 miles. This year, seats were available on 82% of long-haul flights studied. And that was up from 71% last year.

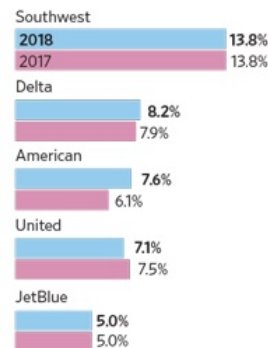
Delta's overall seat availability was its worst since 2015. The carrier had been consistently increasing availability until this year. For long-haul awards, Delta had seats available on only 46% of queries, down from 51.4% in 2018.

In a statement, Delta said it has seen a record number of members redeeming award travel so far this year and is focusing on giving customers new ways to use miles, such as the recently launched ability to use miles for seat upgrades after you buy a ticket.

## Frequent-Flier Faction

Some airlines disclose what percentage of passenger traffic involves frequent-flier awards. Here are the numbers for 2018.

### Percentage of traffic on frequent-flier awards



Notes: Passenger traffic measured in revenue passenger miles; one RPM is one passenger flown one mile. Source: the airlines