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## American Airlines Is Once Again Changing How Fliers Can Earn Rewards

By Jacob Passy

*IdeaWorksCompany contributed information to this article - - see italics.*

American Airlines will soon reward travelers for booking trips only when they do so through American itself or its preferred channels.

Starting in July, travelers will only receive Loyalty Points and AAdvantage miles for airfare if they book directly with American or one of its partners or a preferred travel agency. Otherwise, travelers won't receive points or miles for their flights. Other methods of earning rewards with American, such as spending on co-branded credit cards, won't be affected by this change.

Whether a travel agency, including corporate travel managers and online travel booking sites, is preferred or not depends on whether they have adopted modern booking technology, American says. The new policy was originally supposed to go into effect in May, but was delayed to give agencies more time to implement the new technology. American's latest move is part of a broader reset of the way airlines hand out miles and points. In the past few years, several airlines have incentivized travelers to use co-branded credit cards to earn more rewards points while also encouraging people to plan trips within airline booking ecosystems.

Many shrewd travelers have adapted their approach to airline rewards on the fly. Others have been surprised that longstanding practices for getting rewards have been shut down.

American's approach shows that the airline is focused on converting new customers—especially those booking its cheapest, basic economy fares—into loyal ones who sign up for a co-branded credit card and engage with it in many ways, say analysts. It also reflects the way rewards programs have crept into every aspect of consumers' lives, from where they buy their coffee to who they trust to invest their money.

### **Status check**

American Airlines has lately been a first mover when it comes to rethinking how travelers can earn and use their rewards with the carrier.

In 2021, American announced a major overhaul that went into effect the following year, upending how people could earn status in its AAdvantage loyalty program.

Gone were complicated metrics based on how far or how often people flew. Instead, status was tied to a single metric: what American calls “loyalty points.” Those points could be earned not just by traveling with the airline, but also by spending on American-branded credit cards or shopping through an American-sponsored online portal.

“All of a sudden you could earn status by just shopping online or interacting with their partners,” says Adam Morvitz, founder and chief executive of point.me, a points and miles search aggregator and booking service.

Other airlines have followed. Delta Air Lines last fall announced changes designed to reward people who spend more with the airline or on its credit cards, rather than those who flew most often.

Rachel Silver, a 37-year-old small-business owner and mother of two who lives in Miami Beach, Fla., only travels about once a month. She still manages to maintain AAdvantage’s second-highest tier of status, Platinum Pro. She makes diligent use of an American-branded credit card and uses American’s shopping portal.

“I’m not a weekly business traveler,” Silver says. “And even still I am able to have a pretty nice status level on American.”

Having Platinum Pro status makes it easier for her family to sit together on flights, Silver says, because she is able to book Main Cabin Extra seats at no additional charge. The miles she has accrued have enabled the family to visit destinations such as Los Angeles, London and Japan, she says.

### **Dynamic points pricing**

In another shift to its program, last year American introduced fully dynamic award flight pricing, replacing the traditional miles charts that dictated the cost of reward travel. That change led to traveler concerns that American would devalue its rewards, asking customers to fork over more miles to book a vacation.

***A recent analysis suggests the opposite. The lowest-priced reward flight with American on average was 25% cheaper in 2024 compared with five years earlier, according to airline-consulting firm IdeaWorks. Comparatively, the price of a rewards flight, in miles or points, across all of the carriers studied rose 28% on average since 2019.***

***The IdeaWorks analysis was based on 600 flight inquiries conducted in March for travel between June and October. The queries searched for the lowest-price fares for certain routes across six carriers: American, United Airlines, Delta, Southwest Airlines, JetBlue and Alaska Airlines.***

In setting its pricing, Chandler says American has changed its mindset as to whether it's better if a customer books a flight with miles rather than cash. "When people use their miles, they are actually happier," Chandler says.

### **Promoting less-traveled routes**

Savvy American fliers say that redemption rates are particularly solid if you're willing to go to less-traveled places.

William Neely, a 36-year-old software engineer from Boston, regularly flies to Wichita, Kan., to visit friends from college and check in on a house he owns there.

A last-minute flight between Boston and Wichita can cost upward of \$700, Neely says, but he regularly finds deals for award flights costing only around 13,000 miles through AAdvantage. That can equate to more than 5 cents a mile. On average, airline points and miles are generally valued between 1 cent and 2 cents.

"There's no other carrier out there that uses their mileage program to prioritize the underutilized routes," says Neely, who is also part of United's MileagePlus program.