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It's been harder to accumulate miles but this airline has the best reward redemption rate

This article is based upon a report issued by IdeaWorksCompany.

Airline reward tickets are getting more expensive. While cash fares for flights are rising slower than inflation, a new report from IdeaWorksCompany, a consultancy focusing on ancillary airline revenue, shows that reward redemptions are getting even pricier than paid-for tickets.

According to the analysis, airline reward ticket prices have increased 28% on average in the last five years, while the Consumer Price Index rose 21% over that same period.

The survey was based on 600 fare queries at six different U.S. airlines.

According to IdeaWorksCompany:

- Southwest Airlines has the best reward redemption rate at 14,484 miles per flight on average.
- United Airlines has the most expensive reward tickets, averaging 30,460 miles per flight.

“Consumers can enjoy the perks of reward travel more rapidly on Southwest,” IdeaWorksCompany said in a statement. “The airline does have an inherent advantage because it focuses on short- and medium-haul routes and frequent flights. Reward prices tend to be lower for shorter flights and demand is more readily met with more flights.”

According to the IdeaWorksCompany analysis, the rise of basic economy tickets has made it more difficult for cost-conscious travelers to accrue airline points or miles. Most carriers now restrict the reward earnings on their cheapest tickets, which means low-fare seekers are less likely to be able to redeem future travel.

Earning points through credit card spending has also disrupted the airline reward ecosystem.

“When frequent flyer programs appeared in the 1980s, buying a ticket on an airline was the only way to accrue miles. The industry’s embrace of co-branded credit cards has changed this outcome,” the report said. “Now the majority of mileage accrual originates from partner transactions and the minority is generated flying the airline. Financial disclosures made by American, Delta, and United during 2020 reveal this change. Now these airlines are earning billions from the revenue provided by their bank partners.”

As a result, the report said that travelers need to have an airline’s credit card to get the maximum benefit from its frequent flyer program.