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Airlines Look to Limit Bumping

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Ryan Kingsbury is the rare flier who's actually looking to be bumped from a flight.

"If I see a big weather system, I see big dollar signs," said Mr. Kingsbury, an aeronautical engineer from Boston who claims he has earned about $6,700 in flight vouchers over the last three years. His latest coup was picking up $600 in flight vouchers and a hotel room after giving up his seat on an overbooked red-eye flight from Los Angeles to Washington in bad weather in January.

But savvy travelers like Mr. Kingsbury are having to work harder than ever to exploit loopholes in the travel system. Even as airlines have substantially cut capacity — meaning fewer but more crowded flights — they have so refined their computer tools over the last decade that they can pretty much predict which passengers will show up for a flight and which ones won't. In the process, they have gotten better at the science of overbooking a flight.

Last year, 13 out of every 10,000 passengers were bumped on domestic flights — or 762,422 out of a total of 582 million. That was down from over 20 per 10,000 passengers in 1999, according to the Department of Transportation. In over 90 percent of cases, airlines found volunteers to give up their seats in exchange for some compensation.

The airlines argue that they must overbook to make up for passengers who fail to show up. For an industry desperate to return to profitability after losing $60 billion in the last decade, an empty seat at takeoff equals one thing: lost revenue.

"A seat is a perishable item," said Leon Kinloch, the senior vice president for pricing and revenue management at Continental Airlines. "It's like a fruit that spoils. The moment the door is closed, that item has perished."

So the airlines are imposing more restrictive booking policies. Most airlines, for instance, require travelers to buy their tickets within 24 hours of booking them, forcing travelers to stick with their plans or risk steep penalties to change tickets.

And the airlines have invested in new software to get a better sense of how many passengers will actually show up for a flight. They look at historical data on specific routes, the time of the day, whether there is a holiday, what fares passengers paid and how many business-class travelers are booked with refundable tickets.

Mr. Kingsbury, the Boston flier who tries to get bumped, says he books flights he thinks are likely to be oversold. He will pick the last flight of the day, for instance, and then tell the check-in clerks or gate agents that he is willing to give up his seat should it be needed. He also prays for bad weather, which increases his chances of getting bumped.

Not all airlines practice the art of overbooking. JetBlue Airways offers only one class of service and most of its tickets are not refundable, meaning passengers are more likely to show up. As a result, last year, it had only one oversold seat for 5.1 million passengers.

"It's like a theater overselling tickets for a show," said Dave Barger, the president and chief executive of JetBlue. "It's wrong."

Don Casey, the vice president of revenue management at American Airlines, said, "As an industry under such financial duress, we have had to come up with ways of making ourselves more efficient."

About 60,000 passengers boarded 450 American Airlines flights on a sunny day at the end of March in Dallas-Fort Worth. Seventeen flights had a total of 50 oversold seats; 48 people volunteered for a later flight. Two people were bumped involuntarily.

Thanks to a better understanding of its booking patterns, Mr. Casey said American now overbooked about 5 percent of its seats, down from about 12 percent a decade ago.

In 1999, the company said it had on average about 72 percent of its seats filled and 35.2 out of every 10,000 seats were oversold. Last year, the company filled 82 percent of its seats while the number of oversold seats had dropped to 8.3 for each 10,000 passengers.

Bill S. Swelbar, a research engineer with M.I.T.'s International Center for Air Transportation, called this "the dark art of revenue management."

The trouble, of course, is that the airlines' mathematical wizards don't always get it right.

Tiffany Sumlin, a stay-at-home mother from Fresno, Calif., nearly missed her grandmother's funeral viewing after she was involuntarily bumped from her Delta Air Lines flight to Houston last month when connecting in Salt Lake City.

"They had overbooked the flight and I was not going to get on," said Mrs. Sumlin, who was left behind with another passenger when no one volunteered to give up a seat in exchange for flight vouchers. She was initially offered $400 and a flight out the next day — but that meant being late.

"I would have literally been landing during my grandmother's viewing," Mrs. Sumlin said. She eventually made it in time — but not before flying first to Atlanta, spending the night there, and getting an early-morning flight to Houston.

Not every passenger is equal when it comes to being bumped: business-class travelers and frequent fliers holding elite status are much less likely to get bumped. The last in line are leisure travelers holding discounted fares. (Online check-in reduces somewhat your chances of being bumped. Most airlines offer that option up to 24 hours before departure and strongly suggest that passengers use it.)

Passengers who are involuntarily bumped, like Mrs. Sumlin, and rebooked on another flight within two hours after their original domestic flight time (or within four hours for international flights) are entitled to $400 in cash — double the compensation offered two years ago, according to Department of Transportation regulations. They are eligible for up to $800 if they are not rerouted by then.

But getting people to volunteer is tricky these days. Full planes mean that the next flight for bumped passengers may be the next day.

While fewer people are getting bumped over all, the share of passengers being denied boarding involuntarily is going up. Last year, 1.19 of every 10,000 passengers had their seats taken away outright, the highest rate since 1996.

One reason is that airlines are flying fewer planes in a bid to cope with high fuel costs and lower demand in the recession. Domestic capacity has fallen for five of the last nine years, the most sustained cutback in the history of commercial aviation.

The winter storms that led to chaos in the nation's air transportation system demonstrated just how little wiggle room airlines had.

"I think this summer is going to be pretty good for airlines but the flip side is it is going to be awful for travelers," said Tim Winship, the editor at large for SmarterTravel.com, a Web site offering travel advice. That is good news for Mr. Kingsbury, who says he is looking forward to the coming months when tight capacity, the spring and summer travel crunch and weather cancellations could increase bumping.

"I think this coming summer it will be very lucrative for people doing bumps," he said. "I'll just sit back and watch the chaos."