AN ONLINE AIRFARE TO CHINA IS US$0. DO YOU TAKE IT OR LEAVE IT?

News / Airlines



On St Patrick's Day, American Airlines set round-trip business class fares from several U.S. cities to Beijing and Shanghai at US$0 and US$20 for five hours.

Nearly 1200 people who weren't preoccupied with shamrocks and green beer jumped on the fares, about half of them buying immediately and half putting the reservation on a hold, per U.S. federal rules allowing people to cancel a ticket at no cost within 24 hours.

The airline cancelled the itineraries on hold, prompting some 100 complaints to the Department of Transportation.

Regulators have announced that they have settled the case with American. The airline will offer the 605 holders of the past reservations a free economy-class flight to China or a business-class seat discounted by US$1500, with no AA miles. All travel must be completed by October 26, 2016, a year from when American sent them its offer.

When it comes to "mistake" fares, the use of Twitter and Facebook can quickly lead to a surge of bookings exploiting a glitch ordinarily caused by a human or a technical failure.

The 1194 bookings to China on March 17 far surpassed the typical 100 or fewer bookings made in the prior five days during the evening hours, the airline said in its argument to the DOT.

Are social media helping people indulge their worst instincts as consumers?

"In American's view," the DOT wrote in the consent agreement, summarising the airline's argument, "social media posts acknowledging or recognising that the fares were offered by mistake yet urging readers to rush to book them shows an intent to cheat, as many consumers

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knew the fares were not valid."

Further, the airline "believes that the proliferation of social media sites publicising mistake fares has resulted in individuals purchasing mistaken fare tickets in bad faith, and not on the honest belief that a good deal was available."

Flyers may have won this round, but it appears that the larger issue isn't settled yet. In May, the DOT sided with United Airlines, which had mistakenly sold some first-class seats for US$50 three months earlier, signalling that airlines probably wouldn't be required to honour fares offered because of a glitch. A final rule on the issue is pending.

As for the ethics, what can we say? Look in your heart.

06 NOVEMBER 2015

SOURCE: BLOOMBERG
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