

# In a competitive landscape, Aeroplan takes the gold

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One answer comes from some hard analysis of which cards give you the most value for the dollars you spend on them. The other comes from a ranking of cards according to how much customer loyalty they generate.

The number crunching comes from analyst **Asha Soares** of **Veritas Investment Research**, who counts Aeroplan ([AER-T12.47-0.07-0.56%](#)) among the companies she covers. In an effort to assess Groupe Aeroplan's business model, she compared the attractiveness of its Aeroplan rewards program against the competition.

Aeroplan cleaned up in **Ms. Soares'** analysis, but this is no puff piece. **Veritas** is an independent, research-only outfit that can speak freely because it doesn't have business relationships with the companies it analyzes.

I should point out here that I'm an Aeroplan member and have felt the frustration of striking out while trying to book flights using the posted minimum number of reward flights. For example, the minimum number of miles for a Toronto-to-Los Angeles flight is 25,000, but if you fly next month you might have to use 38,000.

And yet, Aeroplan still wins. **Ms. Soares** based her analysis on flights to 25 Canadian and international destinations, and she evaluated Aeroplan on however many points were required to get the trips booked.

With a credit card like CIBC Aerogold Visa Infinite, where you for the most part earn one Aeroplan mile for every \$1 spent, you get an estimated \$1.67 in value for every \$100 spent. Next up are WestJet RBC World MasterCard from Royal Bank of Canada and Toronto-Dominion Bank's TD First Class Travel Visa Infinite and TD Platinum Travel, each at \$1.50 in value per \$100 spent.

These values don't factor in points bonuses where, for example, you get 1.5 Aeroplan points from CIBC if you use your card at the gas station, grocery store or drugstore. Other cards offer extra points if you use them to book travel.

The card providing the best overall value was American Express AeroplanPlus Platinum, at \$2.50 per \$100 spent. However, you can only get to this value threshold after you've spent a total of \$25,000 in a year on the card. That puts you in a position of earning 1.5 Aeroplan miles for every dollar spent, instead of the 1.25 miles you get until you top \$25,000.

Aeroplan also scored well in a customer satisfaction survey by the analysis firm MarketSense. Some 5,000 people were asked questions like whether they would recommend their credit cards to others, how likely they were to continue using their cards and how often they use their cards.

No single card emerged as a winner. Instead, MarketSense picked CIBC Aerogold Infinite, TD First Class Travel, RBC Visa Infinite Avion, BMO Gold Air Miles MasterCard and American Express Air Miles Platinum as best in class.

Amex Express Air Miles Platinum scored well on customer loyalty, but people in the survey didn't use it as often as some other cards. MarketSense said that may be a result of perceptions that a limited number of merchants accept American Express.

### **New From Amex**

American Express launched its Gold Rewards Card last week, so it's too new to have been covered by **Veritas** and MarketSense. However, it looks promising if you want the flexibility of being able to use your points for any type of travel or convert them into points for Aeroplan and other airlines' frequent flyer programs.

To use this card for travel, book a trip any way you like and then call Amex to have your reward points applied against the bill. You can wait up to 12 months after your trip to redeem points.

The card costs \$150 annually (the fee is waived in the first year) and you get an extra card at no cost. One last noteworthy feature is double points when you use the card for groceries, gas, drugstore purchases and eligible travel. Note: This is a charge card, not a credit card, so you're expected to pay in full every month.

### **Best in Class Credit Cards**

The analysis firm MarketSense polled 5,000 people to find out what they thought of their credit cards. Here are the cards in various categories that rated highest.