

The Essential Travel Hacking Guide for Beginners

Table of Contents

Ever heard of travel hacking?	3
How to travel hack (in a nutshell)	3
Devising the game plan	4
The smart way to start	5
Travel hacking 101	5
Everyone’s biggest concern	7
The card-churning/credit-score cycle.....	7
What I got out of travel hacking	7
Was it worth it? YES!.....	8
A peek into my travel hacking journal	9
The loot.....	9
Getting the most out of the loot.....	9
The struggle of juggling tons of credit cards.....	9
Learn from our mistakes	10
Some parting tips and tricks	10

Ever Heard of Travel Hacking?

I hadn't, until a couple of years ago. Whilst planning a getaway with my sister, I was fretting about the incessantly mounting costs of travel and accommodation, particularly out-of-country, when a friend of mine introduced me to the incredible concept of travel hacking.

So essentially, here's what it is: travel hacking is a genius way of significantly bringing down travel expenditure (without doing anything illegal, of course). How it's done is through cleverly saving and using hotel reward points and airline frequent flier (FF) miles.

At first, obviously, I was very sceptical and wary of the idea. Anything that sounds this good must have a catch, right? How is it possible that travel hacking will let one travel more than they ever have before, stay at luxurious hotels, and get upgrades for a fraction of the cost? And wouldn't something like this affect my credit score?

Well, after conducting some thorough online research, poring over manuals and similar e-books, I decided to give it a go to find out. Although, I'll be going into detail about this later, but for now let me just briefly mention that while there are several ways to maximize your reward points and FF miles, the fastest and most efficient way is through signing up for credit cards which offer massive bonuses.

And sure enough, as soon as I started travel hacking, I became a believer. We managed to stay in exquisite rooms at the finest hotels, and fly to Europe first class, all the while saving thousands of dollars. Last year, thanks to travel hacking, I travelled more than I had ever before in my entire life!

By now I'm sure you're eager to get down to the nitty-gritties and the technicalities of travel hacking, and as promised, I will reveal everything I've learned in my one year of travel hacking across the world, along with all my personal experiences and mistakes. However, before we get started, I would just like to point out that I am by no means a travel hacking "guru" or expert. In fact, hardly anybody is! And if what you're after is being able to use tips and tricks to avail free flights and hotel stays, then **you don't need to be an expert**. All you have to do is to simply learn about the pros and cons and ups and downs of travel hacking.

How to Travel Hack (in a nutshell)

As I mentioned before, the ideal way to travel hack is through signing up for credit cards. If you even glimpse at any travel hacking guides, you'll see that most of them follow a standard, conventionally adopted manner of going about things. Here's how the instructions generally go:

1. Register for as many hotel and airline loyalty programs as you can get your hands on, not to mention a handful of rental car programs and passenger railroad services like Amtrak just in case
2. Manage all the aforementioned programs on a single software such as AwardWallet

3. Work out a credit card strategy
4. Maximise your credit card purchases with dining programs, loyalty program shopping malls, taxes, bills – everything in fact – to collect as many points as possible
5. Learn how to get the most out of your collected miles and points

Now, generally speaking I do agree that this is how travel hacking is done. I followed these instructions myself, as does almost everybody. However, once I started to learn and follow these steps for myself, I realized that if these steps were to be slightly re-arranged, one would be able to derive far more benefits, while efficiently cutting back on most potential losses.

So as we start out, I'd offer my readers this first piece of advice: before you even begin to follow the first step, you need to have a well thought out, strategic game plan in mind and at hand. When it comes to travel hacking, having the correct mind set and the right attitude will make all the difference in the world, and you'll multiply your savings whilst maximizing your travel hacking benefits.

Devising the Game Plan

Since we have established that the most important step, as well as the crucial first step of the travel hacking process is working out a game plan, let's first talk about how that can be done. Your game plan should be based on your end-goal, therefore it's extremely important that you start out with that already in mind. Failing to establish an end-goal from the beginning was one of the rookie mistakes I made when I started out.

So then, now is the time to answer this question: What is it that you want to achieve from travel hacking? Do you want to -

- Be able to stay at the most decadent and expensive hotels?
- Travel numerous times across the United States and the Caribbean and be able to whizz off to New York or San Francisco for the weekend?
- Go on a single, big international trip in First-Class and travel in style and luxury
- Take a career break and go back-packing around the world without spending tens of thousands of dollars
- OR, a little bit of everything?

Once you've answered this important question for yourself, you can actually get started on the process. Although it is typically advised to beginners to start off by registering for hotel and airline loyalty programs, I personally believe the most significant of the steps mentioned is working out a credit card strategy. So in the beginning, don't worry about managing to sign up for as many loyalty programs as possible, and then scrambling to assemble them all on the best software and managing them, because all that comes later.

During the entire planning process, it is important for you to remember that the whole purpose of travel hacking is to be able to travel more than ever before, and enjoy travel luxuries that you wouldn't have been able to afford otherwise. Once you consider that, it becomes apparent that devising the correct credit card strategy is best done in the start, as everything else then follows more seamlessly.

Second of all, I will reiterate once again that the fastest means of obtaining a hoard of airline miles and hotel rewards points is by signing up for credit cards which offer such huge bonuses. Therefore, you must also ensure that the ultimate goal you have in mind is aligned to the credit cards you sign up for. Another thing you must remember during this process is which airport is at the closest proximity to you, as well as the airlines which fly in and out of it. It would be rather silly to sign up for a credit card which offers Delta Airlines FF miles if it turns out that Delta doesn't even fly in and out of your local airport! This is precisely why I would recommend that you firstly strike a balance between where you're located, and where you'd like to go. Then, based on this strategy, start your credit card sign-ups and loyal program registrations.

The Smart Way to Start

Now, that changes up the initially recommended order quite a lot, doesn't it? Let's quickly recap before we move to the next matter. Here is the smarter way to kick off your travel hacking process:

1. Figure out what you want to get out of travel hacking and find out which airlines service your closest airport
2. Based on point 1, devise a credit card strategy
3. Start signing up for loyalty and rewards programs based on your credit card strategy
4. Download and use a software such as AwardWallet to keep track of all your programs
5. Maximize what you put on your credit card to amass as many points and miles as possible
6. Learn how to make the most of these collected miles and points!

By following the steps in this precise order, you'll feel a lot less confused and a lot more organised. In addition to that, you'll save yourself from a lot of mistakes that beginners are prone to making, as well as minimize unnecessary expenditure and stay far away from avoidable failures and losses.

Travel Hacking 101

Now that we have laid down a standard set of instructions which need to be followed, we can move on to some of the most specific technicalities of this procedure. Before we get down to that, I should share one of the mistakes my sister and I made when we sat down to plan our travels. What initially started out as plans to spend a year traveling absolutely everywhere around the globe, eventually had to be downsized to

become a more limited international excursion, including some countries in Europe and the Near East.

The reason behind telling you that is to once more reinforce that we should have made our plans more thoroughly, decided what we wanted, and stuck to it from the get-go, because constant change-ups in the plan will inevitably interfere with the process of collecting FF miles and hotel reward points. There could have been a way for us to accumulate even more points and miles, and that's why I'd advise it to you too. Focus on international flights which will get you to your exact destination, and focus on amassing hotel points through just one brand to expend in ridiculously costly destinations such as Paris and London.

Say you've signed up for a number of credit cards, and are now in the process of accumulating FF miles and hotel reward points. First off, you need to keep a clear head and make sure you don't end up collecting a bunch of miles and points of airlines and hotels which you will never be able to avail from.

For instance, in our case, it would have been useless to accumulate lots of Southwest miles, as they would have been absolutely useless for our overseas travels. Instead we focused on accumulating United Airlines, Delta Airlines, and most of all, American Airlines miles. Since all three airlines are major international carriers, and each of them is part of a different airline alliance, this offered us a tremendous advantage in terms of variety and convenience. It also became relatively much easier for us to find a reward flight no matter where we were; either through one of the airlines for which we had miles, or through one of their partner airlines (as the FF miles are transferable to other airlines in the alliance). In fact, we managed to accumulate enough American Airlines Advantage miles in one year to be able to afford a trip around the world, so if your local airport has American Airlines flying in, I'd say focus on gathering those most of all.

As far as hotel points go, the majority of the hotel reward points we managed to collect were for the Marriott and the Hilton hotel, because we focused the bulk of our efforts on them. Looking back now, I'd have to say that was a pretty big blunder, seeing as how neither of these brands has an extensive number of hotels present in many international locations. It would have been smarter had we focused all our point-collecting efforts on one hotel brand in particular, especially one that has hotels across the globe, and in numerous cities within the countries, such as the Wyndham chain or Choice group of hotels. Not to mention that in this manner, we would have been able to afford countless room upgrades! So learn from our experiences and mistakes in terms of hoarding miles and points. It's rather a creative, and sometimes even fun process, yet it is also surprisingly tricky. Depending on how well you know what you're doing, you could either save 50,000 miles in a year, or 500,000!

Everyone's Biggest Concern

Credit scores declining is probably one of the greatest issues people have whilst learning about travel hacking. As I said previously, the fastest way to easily gather tons of miles and points is through credit card sign-up bonuses. The only folks who should NOT churn credit cards would be those who plan on:

- buying a house in the next two years
- refinancing a mortgage in the next two years
- taking out student loans in the next two years

Now, even if you fit into one of the aforementioned categories, it'll still be possible to collect points and miles using a number of other strategies, so don't be too glum.

However, even if you don't fit into any of these categories, it is natural to fret about the possibility of your perfectly good credit score being ruined by travel hacking. Even though I can't give you a guarantee that travel hacking won't ruin your credit score (after all, this isn't really a universally applicable situation; everyone's circumstances and credit scores differ), I have to admit that your credit score may be affected. Of course, this shouldn't come as a surprise, but I would also like to add that this is most likely a *temporary* setback, and your credit score will rebound. In fact, in my case, my credit score bounced back to a higher level than it was initially!

The card churning/credit score cycle

So what I'm trying to say is that a sort of Card Churning/Credit Score cycle will begin once you start travel hacking. This is generally how it goes: You'll start out opening up a number of credit cards, and these inquiries will inevitably lower your score. BUT – once more credit is available to you, your score will bounce back up. Furthermore, having all that available extra credit for long spans of time will aid your score to not only go up, but to stay up, along with the ratio of outstanding debt to credit once you start paying off the balance of these cards.

So my advice to you would be to not be afraid of opening up new credit cards for bonuses. Do remember to pace yourself, do as much as you feel comfortable doing, and keep monitoring your credit scores, but don't immediately panic if you see it going down.

What I Got Out of Travel Hacking

I think the best way to demonstrate to you exactly what you can expect if you start travel hacking is to share real life examples from my own experiences. Of course, it may not be an extremely challenging endeavour, but travel hacking is a time and energy consuming process nevertheless, and before you invest time, money and efforts into such a plan, you'll want reassurance that the outcome will be worth it. And even though I'm by no means a pro, I can still guarantee you that it is definitely, *definitely* worth it. So, without further ado, let me get started.

\$400 saved on trip to San Francisco

My sister and I took a train to Milwaukee over the weekend, and using 40,000 Marriott points, scored a free room at the Renaissance Stanford Court Hotel, which we were able to upgrade for a mere 20 bucks.

\$900 saved on first-class flight to Havana, Cuba

On our flight to Havana, we were able to upgrade our Economy seats (which cost \$200 a pop) to First-Class seats, which would have normally set us back approximately \$1100 more.

\$400 saved on trip to Cuba

Did I mention that we didn't even have to pay \$400 for the ride? 32,000 Chase Rewards points easily covered the journey.

\$600 saved in Paris

Yup, in possibly one of the most expensive locations in the world. Using 68,000 points per night, we booked a room at the Hilton Paris Opera for two nights, and spent three amazing days exploring the city, heading back late on the third night.

\$5200 saved on last minute flight from Paris to Rio

I was amazed to discover that travel hacking comes in handy the most during last-minute travels. Ever booked a flight last-minute? The air fare is outrageously expensive, but our miles saved us! Now, bear in mind that flying economy at the last minute from Paris to Rio de Janeiro one-way costs \$3,000 per person. Using our miles, we only had to spend an additional \$400 per person for the journey.

\$600 saved in four nights in Rio

We splurged our United Airlines points for a stay at the Ramada RioCentro for 4 nights, no issue – with free internet and breakfast.

\$1200 saved on one-way first-class flight from Rio to New York

Since First-Class gives you more value for your points, we proceeded to spend 75,000 points in order to purchase our First-Class tickets for a total sum of merely \$180.

Was it Worth it? YES!

In the duration of two months chock-full of international travel, we managed to save a grand total of \$9300 in our first year of attempting travel hacking. Bear in mind that we had only collected an overall 500,000 points and miles, where many people can do much better than that within a years' span.

And guess what? We STILL have a good amount of miles and points left over even after all that travel, and are already planning our next few extremely affordable escapades. This is why I can confidently say that my one year of travel hacking taught me that travel hacking is more than worth the extra effort. We managed to save a huge sum of money, while at the same time we were able to enjoy a higher standard of luxury and experiences we never could before.

A Peek into My Travel Hacking Journal

The Loot

As you might have guessed, this is the part of the e-book where I will divulge the full, unfiltered account of my personal experiences with travel hacking, along with my sister, who was doing it along with me. This includes all our efforts, mistakes, our understanding of the process, and everything we learned from a years' worth of travel hacking experiences. This chapter is especially important because it includes all the things we wish we had known at the beginning. Here we go!

As I just divulged, my sister and I managed to accumulate a total of 450,000 aggregated miles and points over the course of one year of signing up for credit cards for bonuses. Of the frequent flier miles, the majority (175,000) were for American Airlines, followed by United Airlines and Hawaiian Airlines at 50,000 miles apiece, then Delta Airlines, and lastly, Virgin Atlantic Airlines. Of the hotel reward points, the greatest number we accumulated was for the Marriott, followed by the Hilton group of hotels, and with Chase Ultimate Rewards Points coming in third.

In addition to these 450,000 miles and points which we accumulated simply through our sign-up bonuses, we also managed to gather 50,000 points from spending bonuses, however bear in mind that this doesn't mean that we actually put a humungous load of \$50,000 on our credit cards within this year! This amount was so huge simply because we received a lot more than 1 mile or 1 point per dollar by meeting the spending minimums, using the credit cards for dining bonuses, and buying a bunch of products and services through specific rewards programs shopping portals.

So, put that together, and our efforts got us to a grand total of **500,000 miles and points!** And believe me, we weren't even working as hard for it as others do. If you're really serious about it, and keep track of all your spending and credit cards in an organised manner, *you can collect even more than we did in your first few tries.*

Getting the most out of the loot

If I do say so myself, my sister and I didn't do too shabby an effort considering that during this year we were pretty occupied with events going on in our personal lives, and at one point we were even swamped financially, not to mention that this was our very first year of attempting travel hacking, and we went into it knowing just the standard protocol. However, we did realize, during and after the entire process, how many mistakes we had made simply because we didn't know any better.

For example, a lot of our Delta Airlines points were useless to us. We were glad to find out that our Hawaiian Airlines and Virgin Atlantic miles could be transferred and turned into Hilton points, otherwise we would have ended up wasting those too. The smartest thing we (unknowingly) did we accumulate a lot of Chase Ultimate Reward points, because it turned out that they could be transferred to huge variety of partner programs, making them super versatile and useful. That's why I keep on emphasizing the importance of a solid game plan and knowing your stuff!

The struggle of juggling tons of credit cards

I would say that this was the hardest and trickiest part of travel hacking for me. Essentially, this is how it goes: for maximum rewards, one must simultaneously apply to multiple credit cards, put any sum of money on them within a limit period of time, and claim the rewards. As someone who was completely and utterly occupied with their day job, I mostly had no other option but to wing it, rather than to keep a rigid track of how much I was spending on each card.

The outcome of this oversight was that I eventually found it impossible to figure out whether I had already hit my spending bonus and should move on to the next credit card or not. In addition to that, it also became hard for me to ensure whether all my outstanding balances had been paid or not, and this in turn affected my bonuses as late payment fees negate that. So just keep in mind that credit card interest is to be avoided at all costs.

After suffering at the hands of my folly more than once, I made the decision to only put money on one credit card at a time. Although by doing this I was able to keep better records, this isn't ideal if you want to maximize on your rewards. It's beneficial for your credit scores if you apply for numerous credit cards simultaneously and then allow them to sit without debt for some time. Your credit score will stay up – and even rise – thanks to the considerable available credit vs. outstanding debt ratio.

Learn from our mistakes

So let's keep the conversation in the direction it's going, and I'll go into more depth regarding some of the moves we wish we hadn't made, and some moves we wish we had made more. I'd say our biggest mistakes were of course, not clearly outlining a mental plan from the get-go and following it till the end, and not tracking our credit cards and spending as diligently as we should have.

The solution is obvious: you need to plan with the end in mind, and you need to know exactly what you want and exactly which miles and points will help you get what you want. Secondly, and I cannot emphasise this enough: *keep a meticulous record of how much spending is required on each credit card in what time limit.* This means recording the dates when each card was opened, what purchases you made on each card, what were the maintenance fees, etc. The moment the required spending amount is reached for a card, stop using it and move on to the next one, and wait for the points and miles you earned to appear.

Some parting tips and tricks

I'd seriously recommend you all to screenshot the terms and conditions page when signing up for all your credit cards, so that just in case there are any hitches or glitches, you can ensure that your points will be reclaimed. Find bank and checking accounts

which can pay interest in miles instead of dollars. Ensure that everything is purchased from an airline's online portal. Buy gift cards from locations where your cards pay extra points for purchases, then redeem through online portals for extra bonus points, and definitely sign up for dining rewards. Use programs like AmEx Bluebird to pay off student loans, mortgages and other payments. Also, make sure you check out the partner status and partner programs of all the hotels and airlines you may be considering.

And last but not least, **keep spreadsheets and credit card dossiers!** Make spreadsheets comprising of the basics which you **MUST** keep track of in order to successfully travel hack. Keeping regularly updated spreadsheets will really help you keep all your spending, miles, points, and credit score in check:

Not keeping credit card dossiers was another oversight on my part. I would strongly advise that you set up a small profile for every credit card you open. List the points you expect to receive, how you will obtain these points, which dining programs you have signed up for, the different categories of spending bonuses, the date your card was opening, the name of the bank which issued the card, and a screenshot of the terms mentioned in the sign-up offer.