



Contact: Jay Sorensen
For inquiries: 414-961-1939
www.IdeaWorksCompany.com

IdeaWorks Helps Airlines Find a Bottom Line Boost With Ancillary Revenue

The US-based consulting firm is a global leader in the ancillary revenue movement with its 147-page guide, industry reports, speaking engagements, and new consulting services.

July 24, 2008, Shorewood, Wisconsin. Airlines enjoy greater revenue success when they become effective retailers rather than passive shopkeepers. This initially European phenomenon has now been embraced by airlines all over the world, to include major carriers in the United States. IdeaWorks was an early proponent of the financial benefits provided by ancillary revenue. The consulting firm is now expanding its support of this air travel transformation through a wide variety of initiatives.

The IdeaWorks “**Ancillary Revenue On-Site Consulting Package**” provides a full week of one-on-one service to airlines seeking to introduce or expand their ancillary revenue activities. The project will help carriers sell their customers a broad range of products and services that can significantly boost revenue. The week concludes with presentation of a comprehensive report that identifies specific areas of opportunity and potential revenue gains. The price for this package is \$11,800 plus travel expenses.¹

IdeaWorks also offers a solution for airlines seeking to improve the financial performance of frequent flier programs. The “**FFP Revenue Analysis Consulting Package**” is a 5-week project that helps ensure peak operating performance in terms of mileage value and passenger revenue. IdeaWorks consultants help management answer questions such as, “Is the program selecting the best candidates for the elite tiers?” “How can we gain the best revenue return from our miles?” and “What reward changes would better align reward value with competing airlines?”

This project begins with a 3-day visit to corporate headquarters during which two consultants from IdeaWorks survey a frequent flier program’s financial operations. Bob Bahlman, the managing director of IdeaWorks’ financial consulting practice, focuses on financial issues. Jay Sorensen, president of IdeaWorks, concentrates on loyalty marketing, member experience, and program operations. The project establishes diagnostics to measure program effectiveness and extensive data analysis to address the following issues: 1) Revenue associated with defined customer categories, 2) Valuation of miles/points sold to partners, 3) Performance of elite tiers, 4) Alignment of accrual rates and fare levels, 5) Evaluation of mileage/points accumulation and management of reward liability. This 5-week package costs \$46,900 plus travel expenses.¹

Consulting services for each of the issues described above, such as “valuation of miles/points sold to partners,” can be purchased on an a la carte basis.

Bottom Line Boost

Page 2

These new packages augment the consulting firm's existing ancillary revenue services. Travel industry executives may request delivery of free research reports from IdeaWorks at the company's website. IdeaWorks has also created a first-ever 147-page guide on the topic of ancillary revenue. This effort is the result of research, interviews and analysis conducted during 2007 on a la carte pricing, commission-based services and frequent flier activities. **The Ancillary Revenue Guide by IdeaWorks** is available for purchase online as a PDF at AirlineInformation.org/guide.

Airline executives seeking to broaden their awareness of ancillary revenue opportunities and the a la carte pricing methods used by low cost airlines will benefit greatly from two upcoming conferences.

The Ancillary Revenue Airline Conference (ARAC 08) began in 2007 as the first airline industry event dedicated to ancillary revenue. Jay Sorensen, president of IdeaWorks, is the keynote speaker for the 2008 conference scheduled for November 19/20 in Budapest, Hungary. For details visit: MoreAirlineProfits.com.

The Low Cost Airlines Congress is packed with information crucial for surviving today's challenging economic environment. Jay Sorensen is leading a panel discussion with executives from easyJet, JetBlue, and Virgin Atlantic on the topic of ancillary revenue. The conference is scheduled for September 23/24, 2008 in London. For details visit: LowCostAirlinesWorld.com.

For brochures describing the new consulting packages offered by IdeaWorks, please contact Jay Sorensen via email (Jay@IdeaWorksCompany.com) or by telephone (direct 01-414-961-1939).

About IdeaWorks: IdeaWorks was founded in 1996 as a consulting organization building revenue through innovation in product, partnership and marketing. Its international client list includes the hotel, airline, marine, railroad, consumer products and health care sectors. The firm is a leading expert on creating ancillary revenue opportunities for airlines. IdeaWorks has worked with airlines on ancillary revenue projects in Europe, the USA, and South America.

¹ Pricing may be higher for major airline projects and for locations that require longer travel times for consulting staff. All terms, conditions and fees are subject to the provisions of a consulting agreement between the client and IdeaWorks.