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Delta Air Lines Is 2015 Champ for Revenue Innovation and Marketing Leadership

*The top 5 revenue innovators also include
SWISS, AirAsia and JetBlue – plus Gatwick Airport.*

December 28, 2015, Shorewood, Wisconsin – IdeaWorksCompany continues a year-end tradition by identifying the airlines that have shown the greatest prowess in the areas of ancillary revenue, a la carte pricing, and loyalty marketing. Throughout 2015, we assessed the top ancillary revenue producing airlines and the most generous frequent flier programs, and issued reports that described the industry's service innovation and product development; and offered practical advice for airline executives.

The culmination of this work is the **Airline Ancillary Revenue and Loyalty Guide for 2015**. The Guide includes every published report and survey issued by IdeaWorksCompany during the year. In reviewing this material, IdeaWorksCompany found that a select group of airlines clearly stood apart in their quest for new sources of revenue success. This list of the **Top 5 Revenue Innovation Champs for 2015** represents the work of the front line employees and management teams who delivered exceptional results during the year:

1. **Delta Air Lines** is topping last year's fantastic results with higher margins, greater returns on investment, and a billion more in cash flow. It's investing this money to improve operational reliability, upgrade cabins, and build new airport lounges. Delta continues to be an industry leader in product development and providing premium choices for its customers at every price point from Basic Economy to First Class. In 2015 they began offering a new product called Delta Comfort+. For a modest upgrade charge, travelers can enjoy priority boarding, dedicated overhead bin space, extra legroom, superior snacks on longer flights, free drinks such as beer and wine, and complimentary premium entertainment. This ancillary revenue generator has been a huge financial success for Delta; IdeaWorksCompany estimates the carrier sells more than 45,000 Comfort+ seats a day.
2. **Gatwick Airport** obviously isn't an airline, but its new "GatwickConnects Protected Connection" is a unique service to help low cost carriers build revenue. Travelers may book combinations of low cost flights which are protected against delays and cancellations. For a fee of £27.50 per person (one way) the service promises that, if an inbound flight is delayed or cancelled, and a passenger subsequently misses an outbound flight, the airport will book them on the next available flight at no extra cost. Hotel accommodation and food are provided if necessary. Included in the service are premium security lines for transfer passengers. Participating airlines are: Aer Lingus, easyJet, Flybe, Monarch, Norwegian, Thomas Cook, Virgin Atlantic, and WOW Air.

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3. **SWISS** introduced branded fares this year and their online effort provides a great example of retail excellence. Consumers booking flights at the carrier's website are presented a very attractive display of the carrier's new branded fares: Light, Classic, and Flex. In a concise and transparent manner, consumers instantly discern which of the three fare products best meets their needs. The booking path presentation focuses consumer attention on the middle choice which represents good value for travelers and undoubtedly boosts ancillary revenue for the airline. Sister airline Austrian uses a similar approach and discloses a 44% uptake of the Classic or Flex fares.
4. **JetBlue** is one of the world's most thoughtful airlines in designing and delivering a travel experience for its passengers. The airline has always sought to be a trendsetter and adding Apple as a payment choice perfectly aligns with its brand. Passengers with an iPhone 6, iPhone 6 Plus, or an Apple Watch can use Apple Pay instead of swiping a credit card. Every flight attendant (more than 3,500 in total) is supplied with an Apple iPad mini. Flight attendants can also access flight information, aircraft configuration, and safety information. JetBlue's primary hub is New York JFK and the inclusion of translation software is designed to enable communication with passengers speaking languages beyond those spoken by the crew.
5. **AirAsia** now offers Wifi access onboard through the RoKKi chats application provided by its supplier called Tune Box. RoKKi chats provides smartphone access to a selected collection of instant messaging applications such as WhatsApp, WeChat, KakaoTalk, LINE, and Twitter. For a very modest a la carte price of RM9 the traveler receives 3MB data usage. The innovation is the price point of just over \$2 which makes chat accessible to everyone. Tune Box discloses 25 AirAsia aircraft are equipped with the service. Just released this month is a new offer of MYR18 (\$4.20) for 10MB of data plus access to email (Gmail & Microsoft Outlook).

IdeaWorksCompany looks forward to another year of ancillary revenue, a la carte, and loyalty marketing activity and will announce its 2016 selections a year from now. The complete collection of IdeaWorksCompany reports and surveys from this year is included in **The 2016 Airline Ancillary Revenue and Loyalty Guide** which is set for release on 15 January 2016. The 250-page Guide is priced at \$449 and will be available for purchase at the bookstore of the IdeaWorksCompany.com website.

Disclosure: IdeaWorksCompany did not have client relationships during 2015 with the airlines listed as the Top 5 Revenue Innovation Champs.

About IdeaWorksCompany: IdeaWorksCompany was founded in 1996 as a consulting organization building brands through innovation in product, partnership and marketing, and building profits through financial improvement and restructuring. Its international client list includes airlines and other travel industry firms in Asia, Europe, the Middle East, and the Americas. IdeaWorksCompany specializes in ancillary revenue improvement, brand development, customer research, competitive analysis, frequent flier programs, and on-site executive workshops. Learn more at IdeaWorksCompany.com.

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