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### **What Does Your Airfare Actually Buy?**

By Zach Wichter

*IdeaWorksCompany contributed information to this article - - see italics.*

It's not enough to look for the cheapest airfare anymore.

Not when airlines are increasingly dividing and subdividing their cabins and charging separately for what used to be part of the fare. More legroom? That will be an extra charge. Overhead bin space? Only if you buy a more expensive ticket.

In the new world of airfares, similar-sounding fare classes like "economy" and "basic economy" can mask big differences in the level of service being offered. Complicating matters further, booking websites often do a poor job of explaining what travelers are actually getting for the listed price.

"You need a supercomputer sometimes to figure out what you are getting and what you are not getting," said Henry Harteveltdt, a travel industry analyst at Atmosphere Research Group. "Just to add confusion to the mix, obviously not every airline's lowest fare includes or excludes the same things."

With a basic economy ticket on American Airlines, Delta Air Lines and United Airlines, travelers can't select a seat in advance. But on Delta, basic economy passengers are still permitted to use the overhead bins if there is available space. On American and United, those overhead compartments are off limits to those who purchase the lowest fares — unless the passenger is an elite member of the airlines' reward programs.

"You have to do more research than ever," said Paul Hudson, the president of FlyersRights.org, a consumer advocacy group. "Even if you think you know your way around this, things are changing to the point that you have to constantly review what's best for you."

Not that long ago, airline tickets were much more self-explanatory. There were just two or three "classes" of seats, and even the coach fare came with decent legroom and allowed at least one checked bag. For no extra charge, a lucky traveler might wind up with some extra legroom in an exit or bulkhead row.

That started to change in 2008, when American Airlines introduced a fee for a passenger's first checked bag. Since then, the whole industry has introduced more and higher fees each year, charging for priority boarding, Wi-Fi, onboard entertainment and even selecting a seat in advance. The Trump administration recently rejected a rule that would have compelled airlines to alert passengers to baggage fees earlier and more prominently in the booking process.

All those fees have played a big role in helping airlines return to profitability after years of losses and bankruptcies. The airlines have also benefited from lower fuel costs over the past decade and less competition on most routes.

***Revenue from fees and other payments is “growing every year because it works,” said Jay Sorensen, the president of IdeaWorksCompany, a consulting firm that focuses on the airline industry.***

***According to a report his company released this fall, the airlines made more than \$82 billion in ancillary revenue — fees from passengers and other payments from partners like credit card companies and hotels — in 2017. That is about \$46 billion more than five years ago. The report, sponsored by CarTrawler, a company that provides car rental recommendations on many airlines' websites, used data released by 66 airlines last year to extrapolate the likely ancillary revenue of 184 carriers worldwide. The majority of the reported revenue came from à la carte service fees.***

***“Airlines that make good profits are better airlines,” Mr. Sorensen said in a phone interview between connecting flights. “We came through the '80s where the airlines were threadbare. I'm in Minneapolis right now in a gate area where there are new carpets, all the seats work and there's lots of information available on flat screens.”***

Alison McAfee, a spokeswoman for Airlines for America, an industry trade group, defended the new fare and fee structure as a good thing for everyone. “The concept of unbundling fares has enabled carriers to keep base fares low, while providing customers with more choice about what they value and are willing to pay for to meet their individual needs, at price points that work for their budgets,” she said in an email.

Many travelers are especially concerned with the initial cost of their ticket. “They will spend hours, sometimes as much as several days, shopping for flights where the airfare fits their budget,” Mr. Harteveldt said. However, once they buy the cheapest ticket, many travelers go on to purchase small upgrades that improve the quality of their trip.

“While they'll certainly shop to find that base airfare, they'll turn around and spend some of that money they saved on amenities to have a more pleasant trip, whether that's a seat with more legroom or lounge access or whatever else,” Mr. Harteveldt said.

He also pointed out that booking megasites like Kayak and Orbitz usually emphasize low prices above all, but do a poor job of explaining what is excluded from basic economy fares. Often, he said, such sites do not detail the benefits of buying a slightly more expensive standard economy ticket — if the option to do so is listed at all. Mr. Hudson, the consumer advocate, said that many times, travelers are best off visiting individual airline websites to see the full array of options available to them.

As the airlines continue to further unbundle their fares, Mr. Harteveltdt said, customers may have to change the way they consider ticket purchases. “It helps to think about shifting your minds from buying fares to buying products,” he said. “Nose to tail, it’s just a matter of time before everything on the airplane becomes an à la carte experience.”

Carriers have also been using years of data on passenger preferences and behaviors to determine which amenities can be mined for moneymaking fees.

***“Airlines have perfect information on this because every time someone assigns themselves a seat, they know about it,” Mr. Sorensen said. “They can go in and capture that data and learn when this happened and which seats go first.”***

***He compared choosing — and possibly paying extra for — a particular seat to buying real estate. “A lakefront cabin with a beach is worth more,” he said***

Business travelers can often opt for that higher priced ticket. Corporate policies vary, but many companies allow their employees to buy regular economy fares rather than basic tickets, Mr. Harteveltdt said.

He suggested that leisure travelers consider more than just the official price tag. Booking a ticket or flying an airline that prevents you from selecting a seat in advance, for example, can mean getting separated from your family on the plane.

Some may find a more expensive ticket with fewer restrictions worth the extra cost “if they’re traveling with children or a trip where there’s a lot of emotional pressure on them — a family vacation or something,” Mr. Harteveltdt said. “The last thing you want to do is have your vacation ruined.”