



2018 CarTrawler Ancillary Revenue Yearbook Shows \$47.2 Billion in Extra Revenue for 73 Airlines

*Ten low cost airlines join this year's survey, including
Go Air, Jin Air, Pobeda, Scoot, Volotea, VivaAeroBus, and WOW air.*

September 18, 2018, Shorewood, Wisconsin – “What is good for our customers is also, in the long run, good for us,” IKEA founder Ingvar Kamprad once said. The 2018 edition of the **CarTrawler Ancillary Revenue Yearbook by IdeaWorksCompany** provides testimony to the success of a wide range of a la carte, commission-based, and frequent flyer related activities. This year's record levels of ancillary revenue sales and largest-ever number of disclosing airlines provide clear indication of solid consumer support. IKEA didn't become well-known throughout the world by disappointing customers, and likewise, ancillary revenue continues to grow by delivering consistent benefits for airlines . . . and consumers.

IdeaWorksCompany researched financial filings made by 146 airlines all over the world, discovering 73 that disclosed qualifying revenue activity. Airlines joining the list for 2018 include Air China, Air India Express, Copa, Go Air, Jin Air, Pobeda, Scoot, Thomas Cook Airline, VivaAeroBus, Volotea, and WOW air. Now available free online, the 128-page, 2018 *Yearbook* provides a detailed global review of a proven revenue source that delivers a mammoth \$5.7+ billion for United Airlines, 46.6% of sales for Spirit, and \$48.87 per passenger carried by WOW air. Overall, the \$47.2 billion represents 9.6% of total sales for the 73 airlines covered by the survey.

The survey covers airlines that disclosed revenue from activities such as frequent flyer points sold to partners, fees for assigned seating, and commissions from hotel bookings. The *Yearbook* includes a list of the a la carte items sold through Amadeus, Sabre, and Travelport for each of the 73 airlines. For example, optional extras for baggage, seat assignments, and sports equipment can be booked through Travelport-equipped agencies on easyJet, and baggage, lounge access, and seat assignments can be booked for Royal Jordanian through the Sabre system.

“The largest single source of à la carte revenue remains checked baggage, with assigned seating a distant second. These are tried and trusted sources of revenue. But savvy airlines know they have more opportunities to serve their customers better. That includes boosting mobile web booking capabilities, implementing dynamic pricing methods, and reaching to capture more travel spending, particularly from hotel, sightseeing, and car hire,” said Michael Cunningham, Senior Vice President of Distribution at CarTrawler.

Airlines are increasingly more revealing about their approach to ancillary revenue. During the course of its global review of ancillary revenue activities, IdeaWorksCompany uncovered the following examples from 2017:

- **AirAsia** disclosed the distribution of other revenue sources for 2018: baggage 40%, onboard retail sales (Big Duty Free) 15%, cargo 15%, Big Pay digital wallet 8%, FlyThru connections and Woki onboard Wifi 8%, onboard café 7%, and seat selection 7%.
- **American** realizes a 50% upsell rate to more expensive branded fare products, with the current basic economy and premium economy project having revenue potential of \$1 billion.
- **GOL** claims the SMILES loyalty program was responsible for issuing approximately 54% of total miles accrued in Brazil, which is up substantially from 29% at the end of 2013.
- **Ryanair** noted big increases in the number of customers paying for allocated seating (23% in FY 2017 to 50% in FY 2018) and priority boarding (4% in FY 2017 to 20% in FY 2018).

The **2018 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany** was released today as a free-of-charge report sponsored by CarTrawler. The full report is available at <http://www.ideaworkscompany.com/category/current-reports>

About CarTrawler: CarTrawler is the world's leading B2B travel technology platform. Its award-winning technology platform brings opportunities to life by creating global online marketplaces for its 4,000 travel partners, 2,500 transport suppliers and 1 billion end customers. CarTrawler acts as a facilitator of relationships by connecting in real time to every significant transport supplier globally. These include car rental, on-demand and pre-booked taxis, shared shuttle services, bus and rail products. CarTrawler's partners include over 100 airlines, 53 of which are in the top 100 largest globally. CarTrawler is private equity-backed by BC Partners and Insight Venture Partners. For more information visit www.CarTrawler.com.

About IdeaWorksCompany: IdeaWorksCompany boosts airline profits through innovations in ancillary revenue, a la carte pricing, and loyalty marketing. The firm was founded in 1996 and has an international client list of airlines and other travel industry firms in Asia, Europe, the Middle East, and the Americas. IdeaWorksCompany enjoys a reputation as a global resource for ancillary revenue strategy, on-site executive workshops, and research reports. Learn more at IdeaWorksCompany.com.

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