



## **Airlines 'Round the World Embrace the Need for Change in the Ancillary Revenue Services They Create**

*CarTrawler-sponsored analysis reviews great examples from British Airways, Jetstar, Ryanair, SWISS, United, and Wizz Air.*

October 23, 2018, Shorewood, Wisconsin – The internet has furthered the evolution of retail by determining which companies perish, survive, or thrive. It's a story that parallels much of what has happened in the airline business. The common theme is this: Companies that embrace change enjoy a better chance of success. Those clinging to the past risk others taking their place. The latest report by IdeaWorksCompany examines the changes occurring in merchandising, what lessons can be applied to the travel business, and how airlines are becoming better ancillary revenue retailers:

- **Ryanair Rooms**, the hotel booking service from Ryanair, essentially gives back all the sales commissions it earns in the form of air travel credits to its customers.
- **Jetstar's** new option to allow travelers to boost their carry-on limit by 3 kg (6.6 pounds) achieved first month sales beyond management's expectations.
- **Ryanair's** revenue from seat assignments is estimated to be €455 million annually or a very meaningful 22.5% of ancillary revenue.
- **United** is serious about the success of its buy-on-board food offer; for example its popular breakfast taco was in development for 13 months before it was introduced.
- **Viva Aerobus** offers Flexi Pass, which for a modest price (such as \$7.70 for a domestic Mexico flight) applies flexibility to any low-price branded fare.
- **Delta** expects a \$350 million incremental branded fare contribution for 2018, and up to \$2.2 billion eventually. That's an average of nearly \$12 per passenger with 186 million annual passengers.

The ***Airline Retail 'Round the World: A Global Tour of Ancillary Revenue Best Practices*** was released today as a free 18-page report sponsored by CarTrawler. The full report is available at <http://www.ideaworkscompany.com/category/current-reports>

*"Merchandising mastery is now required to attract customers to airline websites, and encourage them to spend more while booking. At one time it was sufficient to build websites that merely took customer orders. Today's airlines need to embrace change and innovate, and this requires a shopkeeper's mindset. Engaging consumers in online stores is the surest method to boost ancillary revenue through the sale of items beyond the airline seat, such as a la carte items, hotel and car hire bookings, and co-branded credit card activity,"* says Michael Cunningham, Senior Vice President of Distribution Strategy at CarTrawler.

**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](http://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](http://IdeaWorksCompany.com).

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