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Southwest Airlines doesn't assign seats and honestly, this sounds like a nightmare

IdeaWorksCompany contributed information to this article - - see italics.

Rather than assign passengers seats on the plane, this major airline makes them scramble for the best seats in the cabin. Sounds like carnage, but there's a brilliant reason for it.

One of America's biggest airlines is making bank through a highly unusual boarding process that sounds kind of terrifying.

And it's a key way Southwest Airlines is offsetting its promise the free checked-in luggage — it's one of the last few airlines still doing so.

Unlike pretty much every other airline on the planet, Texas-based Southwest doesn't assign seats to passengers.

Instead, it assigns people to a "boarding group", and when each group boards the plane in a particular order, it's up to them to scramble for the seats they want.

We can all imagine the calamity that ensues in this game of on-board musical chairs.

As Quartz points out, the unusual system naturally means those in privileged boarding groups claim the best seats in the cabin.

And this is where Southwest Airlines has landed itself a massive money-maker.

People pay to be higher up on the boarding group hierarchy through the airline's Upgraded Boarding optional extra.

And that's how the airline is able to afford luring passengers with promise of free checked-in luggage.

US Department of Transportation figures released by USA Today revealed Southwest earned \$US642 million (\$A904 million) in ancillary passenger fees in 2018, which includes fees for things like priority boarding, in-flight internet and alcoholic drinks.

Ancillary fees relate to the add-ons passengers can pick and choose to pay for, in addition to the promise of a seat. They also include in-flight meals, blankets, airport check-in fees, upgrading to better seats (such as exit rows) and even hotels and car hire.

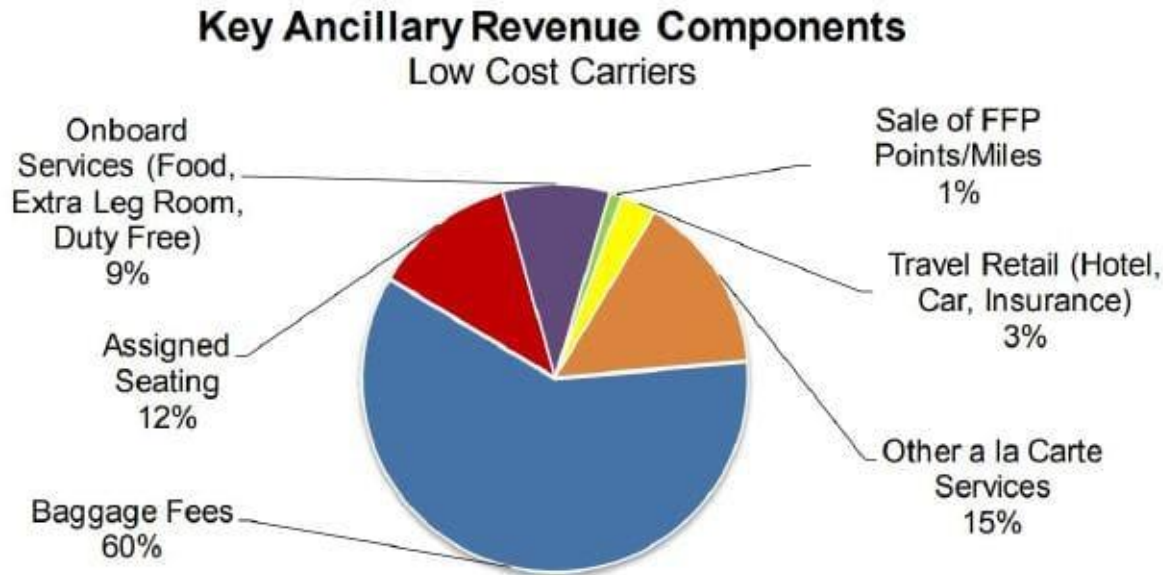
And the value of ancillary fees is soaring.

A recent joint report from research firm IdeaWorks and Dublin travel tech company CarTrawler estimated airline ancillary revenue would reach \$131 billion worldwide in 2018.

The report, released in November, estimated that would be about \$30.05 in extra fees per passenger.

And it's a 312 per cent increase on the 2010 figure.

In an earlier report, IdeaWorks and CarTrawler identified the top 10 airlines that were making the biggest revenue through ancillary fees.



Distribution based upon analysis of 2017 results of low cost carriers throughout the world.

US airlines United, Delta, American and Southwest were the biggest earners in 2017, which are the latest figures available, followed by Ryanair, Air France/KLM, the Lufthansa Group, Alaska Air Group, Air Canada and easyJet.

Qantas didn't make the top 10 ten list, but was among the biggest ancillary earners in 2016, overwhelmingly due to its frequent flyer program.

"Passenger fares may dip and climb, but ancillary revenue has grown steadily in its contribution to the industry's bottom line," IdeaWorks and CarTrawler said in a joint statement.

The researchers studied data from 73 airlines around the world that disclosed ancillary revenue — not all did.

Despite Southwest's unusual boarding process, it has consistently higher customer satisfaction scores than other American airlines, Quartz reported.

And it isn't the only airline with a very different boarding process.

Late last year Delta Air Lines prompted confusion by announcing it would scrap the standard boarding process, which saw passengers walk on the plane according to the zone they're assigned, and replace it with a bizarre colour coded system.

The new system prioritised people who paid more for their seat. And while Delta said it was meant to make the process of loading passengers on to planes a lot smoother and less crowded, unhappy passengers said it would only reinforce the "poor people walk of shame" on the plane.