

# Business Traveller

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By Robert Curley

## **Non-ticket revenues account for more than 10 per cent of airline earnings**

*This article is based upon a report issued by IdeaWorksCompany.*

Airlines generated more than \$55.7 billion in revenues last year selling everything but airline tickets, according to a report from B2B travel technology platform CarTrawler and ancillary revenue strategists IdeaWorksCompany.

The yearbook and ancillary revenue guide included data on non-ticketed income from 76 airlines and states that such revenues have “remade the business models of the global airline industry.”

Revenues from sales of ancillary sources like baggage fees and preferential seating represented 10.7 per cent of total earnings for the airlines in the report.

American Airlines alone generated \$7.2 billion in such revenues in 2018. Ancillary revenues accounted for 29 per cent of all sales for Air Asia, and Lufthansa earned an average of \$18.47 per passenger from ancillary sources, according to the yearbook.

Other sources of ancillary revenues for airlines included sales of frequent flyer points, airport lounge fees, and commissions for hotel bookings.

“It is now common knowledge among airline management that a sophisticated ancillary strategy is the key to unlock significant revenues alongside a premium customer experience,” said Aileen McCormack, chief commercial officer at CarTrawler.

“Airlines need to appreciate that every customer’s journey will differ in some way and offer them the optimal platform on which they can quickly and effectively choose how they travel from door to door, not just from airport to airport.”