



Airlines continue to bolster ancillary revenues

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Fees derived from ancillary revenue in 2009 increased a whopping 43% to €11 billion (\$US13.5 billion), according to a recent study by IdeaWorks.

The increase represents newly introduced a la carte fees as well as commissioned based services offered by airlines.

The preliminary results, which will be published in full later this year as part of the Amadeus Guide to Ancillary Revenue by IdeaWorks, were garnered from 96 airlines. IdeaWorks is a consulting group specialising in ancillary revenue improvement, analysis and business restructuring.

The top 10 carriers in the study boosted ancillary revenue through baggage fees, buy on board food and beverages, fees for assigned seats and commissions from hotel and car rental bookings.

Three US-carriers topped the list for total ancillary revenue recorded in 2009, including United Airlines with €1.52 billion, American Airlines at €1.51 billion and €1.12 billion captured by Delta Air Lines. IdeaWorks concludes that this "mature group" has stabilized while revenue from lower ranked carrier has jumped dramatically.

US-carrier Allegiant Airlines reported the highest percentage --29%--of ancillary revenue as a percentage of total revenue. Spirit Airlines followed at 23.9%, and Ryanair was third in the ranking at 22.2%.