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Study: Airlines made \$27.1 billion in ancillary revenue

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This article is based upon a report issued by IdeaWorksCompany

Airlines throughout the world generated more than \$27.1 billion from fees for services such as checking bags, according to a study out this month.

The so-called-ancillary revenue can represent more than 38% of a carrier's revenue, IdeaWorksCompany, a consultant specializing in so-called "ancillary" revenue, found.

A total of 53 airlines reported their ancillary revenue for 2012 from activities such as frequent flier miles sold to partners, fees for checked bags and commissions from car rentals.

The 23 airlines that first reported such revenue to IdeaWorks in 2008 made just \$2.45 billion off fees.

"Once largely limited to low-fare airlines, ancillary revenue has now become a financial necessity for airlines all over the globe," wrote Jay Sorensen, author of the report.

Five of the top 10 airlines for collecting ancillary revenue in 2012 were U.S. carriers.

United Airlines led with \$5.4 billion. Delta Air Lines followed with \$2.6 billion. American Airlines (\$2 billion), Southwest Airlines (\$1.7 billion), and Australia's Qantas (\$1.6 billion) rounded out the top five.

US Airways was in the No. 9 spot with \$1.1 billion.

Low-fare airlines dominated the list of airlines whose ancillary fees made up the highest percentage of their total revenue.

Spirit Airlines' ancillary fees made up 38.5% of its total revenue. Despite that, traffic was up more than 22%.

Qantas made the most off each passenger--\$56.21. Spirit followed with \$48.72