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Airline passenger fees may soon rise on peak travel days

By Hugo Martin

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The next frontier in airline fees — those pesky payments for baggage checks and seat upgrades — may be higher charges during peak demand periods.

In other words, the \$25 you now pay to check a bag may go up to \$30 if you insist on flying during busy travel periods such as the days around Christmas or Labor Day.

The prediction that airlines will start to adjust fees based on demand comes from Jay Sorensen, a noted consultant for the industry on what air carriers like to call “ancillary fees.”

He has also forecast that ancillary fees will generate nearly \$50 billion for the airline industry worldwide in 2014. And now carriers are looking for ways to push that total higher.

“The industry is slowly moving to the dynamic pricing method that has been used with huge success for air fare pricing,” he said in a report released last week.

Airlines for America, the trade group for the nation’s airlines, declined to comment on Sorensen’s report but added that “the marketplace, and more specifically customers, decide every day what they are willing to pay.”

Sorensen notes that Florida-based Spirit Airlines has already started the practice by raising checked bag prices by \$2 during the holiday travel period. The higher fees kick in on flights between Dec. 18 and Jan. 5.

On its website, the airline said that the fee hike is intended to “encourage customers to pack a bit lighter” to make room for more bags during the crowded holiday season.

Over the next two years or so, Sorensen said he expects airlines to raise fees during peak travel periods on extras such as early boarding, seat upgrades and checked bags.

But he warned that government regulators may clamp down on the practice if airlines fail to clearly post the fee changes with ample warning.

As for passengers, Sorensen predicts many will be upset but will eventually accept the new money-making tactic.

“In my experience, over the passage of time, these will generally be accepted,” he said.