



ANCILLARY REVENUE REPORT SERIES FOR 2015

The Airline Manual for Merchandising

Or, everything you wanted to know
about airline retail but were afraid to ask

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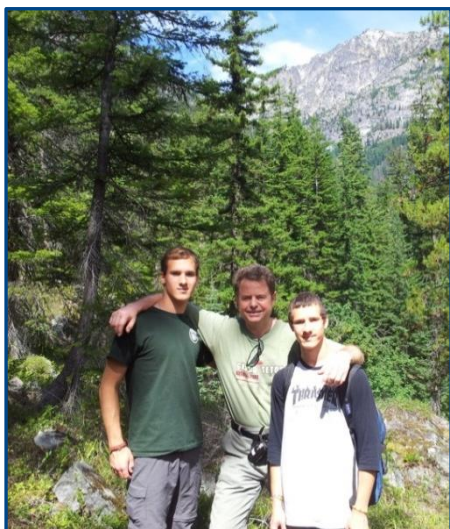
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About Jay Sorensen, Writer of the Report



Jay, with sons Anton and Aleksei, on the North Fork Trail in North Cascades National Park in Washington.

Jay Sorensen's research and reports have made him a leading authority on frequent flier programs and the ancillary revenue movement. He is a regular keynote speaker at the annual MEGA Event, spoke at IATA Passenger Services Symposiums in Abu Dhabi and Singapore, and has testified to the US Congress on ancillary revenue issues. His published works are relied upon by airline executives throughout the world and include first-ever guides on the topics of ancillary revenue and loyalty marketing. He was acknowledged by his peers when he received the Airline Industry Achievement Award at the MEGA Event in 2011.

Mr. Sorensen is a veteran management professional with 30 years experience in product, partnership, and marketing development. As president of the IdeaWorksCompany consulting firm, he has enhanced the generation of airline revenue, started loyalty

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Eric, at his favorite summer retreat, Steens Mountain, Oregon.

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The Airline Manual for Merchandising

This report won't tell you anything about Instagram.

Neither will it describe Digg, Snapchat, or Livefyre. If you are engaged in the world of social media you know about these things. But if you are like many of us, the continuous pace of technological change is simply overwhelming. You know and likely use Facebook, Twitter, and LinkedIn. But you might not be aware Instagram will probably surpass Google and Twitter for mobile ad revenues in 2017.¹ And very few of us can describe the methods associated with all 210+ social media related services included in the extremely busy image to the right.



The Conversation Prism categorizes more than 210 of the world's social media related services.
Source: Brian Solis and JESS3

The same dizzying array of technology, methods, and brands also occurs in the business of travel merchandising. Dynamic pricing, branded fares, and NDC can be just as confusing for executives as the world of social media. The global airline industry is predicted by IATA to post revenues of \$763 billion during 2015. At this level of activity, airlines are moving beyond the mere taking of orders and are seeking to become world class retailers. This report intends to prepare industry professionals for the decision-making required to take airline merchandising to the next level.

Ancillary revenue is the catalyst for airline retail change

Low cost carriers, such as Ryanair, introduced websites about 15 years ago that had the appearance of being built by teenagers as a weekend project. The pages lacked graphic design charm, but were most assuredly powerful producers of online sales. The internet provided the perfect disruptive platform for these LCCs to experiment with a la carte offers. Consumers were invited to point and click through the booking process to fill their travel shopping carts. Back then, LCCs didn't have a presence in global distribution systems. Their merchandising creativity was only limited by what they could build into their websites. The small and nimble culture of LCCs created the perfect environment for experimentation with in-path offers, fare bundles, and annual product subscriptions.

¹ "Instagram Mobile Ad Revenues to Reach \$2.81 Billion Worldwide in 2017" article dated 27 July 2015 at eMarketer.com.

Traditional airlines, such as United, Air France, and Cathay Pacific, were frustrated by the growing influence of LCCs. But these airlines were also fascinated by the benefit of using a la carte methods to sell travel direct to consumers. Hotel and car rental booking

capabilities, along with selling exit row seats for an additional fee, were early website features added by traditional airlines.



Ryanair's home page from 2001 was certainly plain and lacked charisma, but boy-oh-boy it delivered big revenue.

Source: Wayback.com.

A la carte pricing has been used by airlines and the GDSs as a tool to gain leverage with the other party. Airlines have been pressured to make a la carte features available through GDS to meet the needs of business travelers. Corporate clients are demanding the ability to book and pre-pay services such as checked bags and extra leg room seating before employees begin their trips. GDSs indicate support for airlines to offer customer-specific pricing through the NDC process. That's a big change from the current method in which a GDS assembles the selection of air fares based upon the booking request of the consumer.

Prices can be a la carte, bundled, and even part of a family

Gone are the days when a simple air fare represented the entire cost of an airline trip. Thanks to abundant low fare competition, consumers can choose a travel style to meet their desires for price, comfort, and convenience. Those holding to old ways enjoy the comfort provided by an all-inclusive fare. This has everyone paying the same price even if they don't want to check two bags, eat a hot meal, and accrue the full measure of frequent flier miles.

All-you-can-eat buffets are great for those with big appetites, but don't offer value for those looking for salad or a cup of soup. That's the beauty of the a la carte method; consumers are free to choose what they want when airlines sell air travel as components. Too many government regulators want to force the industry back into the analog-style method of setting a single price. That would be the same as requiring a grocer to define the final register total before a shopper enters their store.



Shopping for travel should be similar to filling a cart at a grocery store. This cart is filled with a Sorensen kid from 2005.

Even the simplicity of a basic fare with a la carte extras has given way to bundling and branded fares. That was the approach once favored by Wizz Air. Visit the carrier’s website today and you will see a robust display of various pricing methods (see image below). Consumers first choose from two branded fares, which have the eloquently simple names of Basic and Plus. Icons readily display the features associated with each, with Basic only providing online check-in and permitting a small carry-on. These qualify as branded fares because the price premium of Plus over Basic is set at a consistent amount. For example, in the Madrid – Budapest market, the Plus premium is consistently €62.

✈️ Outbound		Madrid - Terminal 1 → Budapest - Terminal 2B			
Dept. & Arrival	BASIC ⓘ		PLUS ⓘ		
	normal price	WIZZ Discount Club ⓘ	normal price	WIZZ Discount Club ⓘ	
Wed, 30 Sep 20:45 → 23:55	€109.99	€89.99	€172.29	€152.29	
Thu, 01 Oct 20:45 → 23:55	€159.99	€139.99	€222.29	€202.29	

In addition, the Basic fare does not sell out as the aircraft fills up and remains on-the-shelf in true retail fashion. Branded fares allow consumers to upgrade their experience. Travelers don’t always seek the lowest fare; a surprising number willingly pay a premium for more comfort and convenience. JetBlue implemented a branded fare strategy in 2015 and expects it to produce annual revenue gains of \$200 million.² Management knows a significant number of JetBlue passengers choose the carrier’s Blue Plus or Blue Flex fares in lieu of the lowest priced Blue fare. Many will pick the Blue Plus fare simply because it’s the “middle” choice.

Jetstar doesn’t have branded fares, but uses a similar approach that’s simply called service bundling. Rather than publish distinct fares, the booking system offers a “Starter Fare” and the option to consider two additional packages of features and amenities.

<p>Plus bundle Enjoy the extras and save a bundle \$35</p> <p>800 Qantas Points and 10 Status Credits[^] or Emirates Skywards Miles[^] or a AUD \$10 Jetstar Flight Rewards Voucher*. Find out more</p> <p>Free standard seat selection</p> <p>AUD \$5 Inflight Food & Beverage Voucher (per person) Find out more Conditions apply</p> <p>20kg checked baggage</p>	<p>Max bundle Our fully flexible fare with the lot \$156</p> <p>Fully flexible fare No fees for date, time, name, origin & destination changes (fare difference may apply)</p> <p>Refundable (fee applies)</p> <p>1,200 Qantas Points and 20 Status Credits[^] or Emirates Skywards Miles[^] or a AUD \$10 Jetstar Flight Rewards Voucher*. Find out more</p> <p>Free seat selection of all seats</p> <p>AUD \$5 Inflight Food & Beverage Voucher (per person) Find out more Conditions apply</p>
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The above displays an excerpt of the features associated with the service bundles offered by Jetstar. The Plus bundle has a consistent premium while the Max bundle premium varies.

² JetBlue Investor Day Presentation 19 November 2014.

Fare families represent a less sophisticated method that attaches features to existing fares that are tiered for revenue management purposes. For example, TAP Portugal offers four economy fare products: Discount, Basic, Classic, and Plus. The fares are associated with specific features for change fees, mileage accrual, priority screening, assigned seating, and others. But these are not branded fares, because lower priced fares do sell out which removes the availability of that particular product.

Unfortunately, a very full flight might only offer the top-priced Plus fare. This violates a primary rule of merchandising – always have products available on the shelf for sale. For fare family pricing, the differences between the fares vary and are not placed at predictable price point premiums. For consumers, this could be a modest \$30 or an outrageous \$300. The following table summarizes the most popular types of airline pricing:

Types	Definition	Revenue Management	Airline Examples
a la Carte (unbundled)	Consumers may add optional extras such as checked bags, assigned seats, and pre-order meals to any fare.	Lower priced fares sell out as demand increases, but optional extras remain available.	Wizz Air’s optional services such as priority boarding, extra leg room, and assigned seats.
Branded Fares	Base fare provides minimal amenities and consumers may upgrade to higher-priced fares that offer more perks.	Each fare type is always available and has a fixed (predictable) price premium.	Wizz Air’s Basic and Plus fares; and JetBlue’s Blue, Blue Plus, and Blue Flex fares.
Service Bundles	Base fare provides minimal amenities and consumers may purchase packages that offer additional perks.	Bundles are always available and may have fixed price premiums or are dynamically priced.	Jetstar’s Starter Fare and its Plus (fixed premium) and Max (dynamic) bundles.
Fare Families	Amenities are linked to existing fare categories, with higher fares providing more perks.	Lower dynamically priced fares sell out as demand increases, which limits the choices presented to consumers.	TAP Portugal’s Discount, Basic, Classic and Plus fares.
Subscription	Club membership allows consumers to enjoy fare discounts or have access to a service feature.	Discount is applied to lowest available fares. Service features are usually provided without limitation.	United’s subscriptions for bags and Economy Plus; and Volaris V-Club fare discount program.
<i>Sources for Airline Examples column: Websites visited September 2015.</i>			

Subscription plans are becoming an engaging method for more airlines and consumers. United Airlines has been a leader with annual subscriptions for checked bags, Economy Plus seating and airport lounge access. Sometimes the subscription doesn’t provide a service, but offers access to special pricing or discounts. Volaris Airlines, an LCC in Mexico, sells V-Club membership for \$49 (or 499 pesos) which promises access to best available fares.

Volaris has done very well with its club. Revenue from the subscriptions, which also include a 6-person group plan, provided \$3.5 million for the airline in 2014.³ There were 108,000 V-Club members at the end of 2014, which more than doubled 2013 membership. There is an average of 2.5 travelers enrolled per club membership.⁴ The airline uniquely offers a \$500 plan for small and medium-sized enterprises. V-Club routinely delivers 10% off the base fare, a low-season discount of 20%, and one-day advance access to fare sales.⁵

Departure	Arrival	Flight #		Clean fare ?	VClub ?
MEX 04:30 A.M.	GDL 05:47 A.M.	4734	only 2	<input type="radio"/> \$44.81 USD	<input type="radio"/> \$42.66
MEX 07:00 A.M.	GDL 08:17 A.M.	730	only 8	<input checked="" type="radio"/> \$41.87 USD	<input type="radio"/> \$39.62
MEX 08:00 A.M.	GDL 09:17 A.M.	732	only 8	<input type="radio"/> \$41.87 USD	<input type="radio"/> \$39.62

Every booking at Volaris.com provides a reminder of the savings offered by the V-Club program by displaying the club fare next to the regular price.

Beyond the annual fee is the revenue magic provided by the repeat purchase of tickets. Volaris.com automatically becomes the first website visited for anyone shopping for travel. Members have made an “investment” in the relationship with the airline; this represents a loyalty that’s stronger than any frequent flier program. The carrier’s premium co-branded credit card includes V-Club membership. Imagine the power for airlines that offer subscription plans combined with frequent flier benefits and a co-branded credit card. V-Club savings are dynamically generated by revenue management and vary by flight.

Dynamic pricing will determine how optional extras are sold

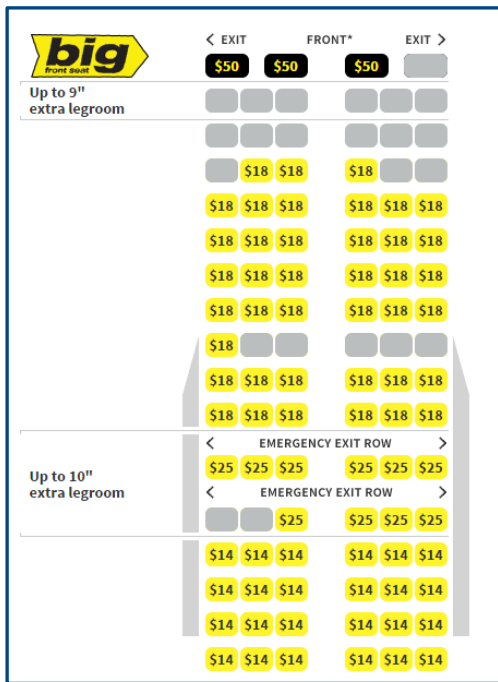
Pricing is not only defined by fare families, branded fares, and service bundles, but also by the method used to calculate the fare itself. This refers to the art of revenue management. Contrary to popular belief, it doesn’t seek to raise fares to their highest level. But rather, to maximize the revenue produced by an individual flight departure. Fares which vary according to demand, and are adjusted through revenue management are “dynamically priced.” Sophisticated analytics, which may include demand forecasting, are used to offer the optimum fare to a consumer’s query. Revenue management has been part of the industry for decades. The newest opportunity uses dynamic pricing to maximize ancillary revenue.

There is confusion in the industry regarding dynamic pricing and optional extras. Prices assigned to simple attributes such as flight number, seat location, or calendar period, don’t represent dynamic pricing. But when a combination of these factors is used to build a price – and the process is largely opaque to consumers – this qualifies as dynamic pricing. It has been reported Ryanair has applied dynamic pricing to baggage fees. This is technically untrue; Ryanair merely charges different fees according to its low and high season calendar. Flexible or conditional pricing varies a la carte fees according to choices made by the consumer. It’s a method viewed by the industry as being very revenue savvy, and is quickly replacing one-size-fits-all prices for a la carte items.

³ CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany, September 2015.

⁴ Volaris January 2014 presentation at the Banco Santander - 19th Annual Latin American Conference.

⁵ Information provided by Volaris commercial department September 2015.

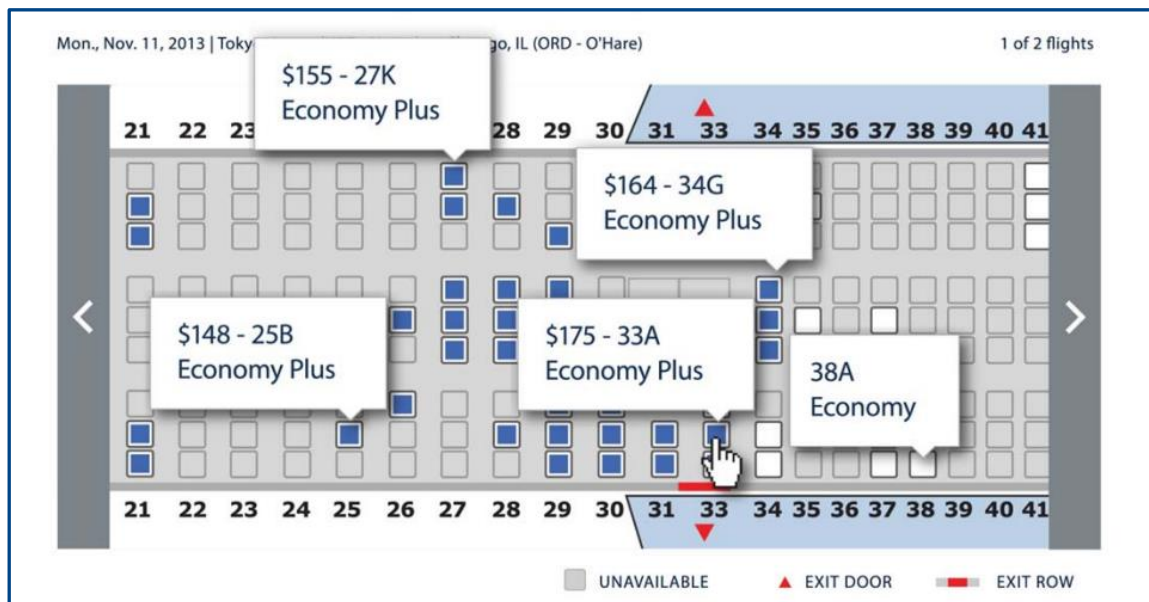


Spirit's "pick your seat" display for a Chicago – Fort Lauderdale October 2015 flight.

Spirit Airlines offers a very eloquent display of flexible pricing for assigned seating (see image at left). Consumers may pick their seat during the booking process from a seat chart of prices. Other airlines provide a color coded map with prices listed under a legend. But the message from Spirit is crystal clear to the consumer . . . the most preferred seat assignments at the front of the cabin or in the exit rows have a premium price attached.

The use of dynamic pricing to set a la carte fees remains rare. United makes extensive use of revenue management for its FareLock feature. Consumers pay a fee, which ranges from \$6.99 to \$35, to hold a fare for three or seven days.⁶ United minimizes its risk by only offering FareLock on flights for which the probability of reselling the seat is high. United doesn't display the padlock-style icon for flights having a high risk of seat spoilage.

United admits in financial disclosures it uses dynamic pricing for its Economy Plus product, which provides passengers an extra 3 to 5 inches of leg room.⁷ According to the fee disclosure at United's website, prices for Economy Plus range from \$9 to \$299 per flight per person. Reviewing the below image from a United investor presentation demonstrates Economy Plus is most definitely not priced as a flat fee.



This image was prepared by United for a 24 February 2015 Investor Presentation to demonstrate the range of extra leg room upgrade prices available on a Tokyo – Chicago routing.

⁶ "Changed bag rules and optional services" page at United.com reviewed September 2015.

⁷ United aircraft specifications at SeatGuru.com reviewed September 2015.

United has applied a diversity of pricing for extra leg room seating that’s comparable to the fares offered on a flight. The carrier’s revenue management efforts are providing real rewards, as revenue per Economy Plus seat was up 16 percent for the first quarter of 2015 compared to the same quarter in 2014.⁸ The following table provides a definition of dynamic pricing, along with the other two most popular methods used for optional extras.

Table 2: Defining Pricing Methods for a la Carte		
Method	Definition	Airline Examples
Dynamic or Revenue Managed	Prices are determined at the time a consumer requests the product. The airline sets prices based upon an evaluation of demand and supply using a combination of factors unique to each booking request.	United relies on revenue management to determine when to offer FareLock to consumers at its website. In addition, pricing for its Economy Plus product is dynamically determined.
Fixed	One price is applied for an a la carte service across an entire airline. Variations may occur due to currency conversion. The consumer can easily determine fees based upon disclosures.	Tigerair sells early boarding for SGD 6; Azul charges \$100 for unaccompanied minors; and Flydubai will check a 20kg bag for AED 50.
Flexible or Conditional	Factors, which are disclosed to consumers, are applied to determine fees. This may include length of flight, advance purchase, travel period,	Checking a 1 st bag using Ryanair.com during the low season costs €15; for the high season it’s €25. Spirit charges from \$26 to \$100 for a large carry-on bag depending on when and where the item is paid.
<i>Sources for Airline Examples column: Websites visited September 2015.</i>		

Regulators may be surprised by the increased use of dynamic and flexible pricing methods for a la carte services. The trend away from fixed prices reflects the industry’s desire to become better retailers. Airlines would help ease the transition for consumers if they provided more clarity on how prices are determined. Simply disclosing a range of prices such as “\$6.99 to \$35” or “from €15” may meet minimal regulatory requirements, but doesn’t inspire consumer confidence in the ethics of ancillary revenue.

Linking a la carte methods to GDS is the next frontier

As described earlier in this report, airlines have mastered, or are making great progress in the art of online retail. The direct channels for an airline were once call centers and city ticket offices. These channels do remain, but are completely eclipsed by the direct channel of a carrier’s website. In a 2012 report commissioned by IATA, airlines are expected to produce 59 percent of their booking volume through their websites by 2017; this would represent a sizeable increase from the 35 percent generated by airline websites in 2012.⁹

⁸ United Continental 1st quarter earnings call on 23 April 2015.

⁹ “The Future Of Airline Distribution” by Atmosphere Research dated 05 December 2012.

This market share shift to airline websites still leaves global distribution systems with a tremendous volume of business, and a dominant position in the corporate travel market. Access to this market defines why airlines and GDS companies are compelled to cooperate on the topics of branded fares and the sale of optional extras. However, Lufthansa Group recently surprised the travel industry by implementing a “distribution cost charge” of €16 for every ticket booked through a GDS.¹⁰ The fee is not applied to bookings made at Lufthansa Group websites to include its new online portal for travel agencies. Lufthansa admits these moves are designed to shift bookings from GDS channels.

Employers want to pre-pay these fees to maintain better control of travel expenses. In many cases, this only occurs if a la carte services can be booked through a GDS. These systems are said to operate on legacy platforms that can't fully accommodate the need for merchandising flexibility. This has caused airlines to delay implementation and complain they can't properly merchandise their a la carte services to travel agents. Progress is being made, but is hampered by the chaos of the complex methods described throughout this report.

The earliest efforts to align direct and indirect travel retail began by establishing standards to enable the technologies to interact. The Airline Tariff Publishing Company (ATPCO) is responsible for processing fare filings for airlines all over the world. ATPCO standardized the filing of a la carte fees during 2008 with its optional service solutions.¹¹ This gave airlines an early solution to file fees for distribution on different platforms. IATA advocated for common standards, such those represented by Electronic Miscellaneous Documents (EMD) and the far more crucial NDC, to enable communication between systems. It's all accomplished using bits and bytes with a myriad of computer systems working together behind the scenes.

The EMD type A is “associated” or linked to an individual passenger e-ticket (such as checked baggage), which allows the airline to quickly tally a la carte revenue after the flight is completed. The EMD type S is designed as a “stand-alone” purchase voucher for services bought by a consumer but not linked to a particular passenger itinerary, such as the purchase of a gift card.

IATA coordinated the adoption of a standard among its member airlines. EMDs allow travel agencies to process payment for various airline services such as a la carte options and deposits for group travel. But most importantly, they enable these transactions to occur in a digital format to allow airlines to track a la carte activity from the moment an item is sold through the time of delivery to a consumer. EMD provides a path to support the majority of a la carte transactions processed by global distribution systems.

The New Distribution Capability (NDC), commonly known as IATA Resolution 787, describes a framework to enable the merchandising of a la carte services through a GDS or online travel agency. IATA changed the name to Enhanced Airline Distribution, but the NDC acronym prevails in popular use. At the core of Resolution 787 are four new mandates (paragraph 1.2.5) which IATA boldly calls to be incorporated into each GDS as listed in Table 3 below:

¹⁰ “Lufthansa redirects commercial strategy” press release date 02 June 2015 at LufthansaGroup.com.

¹¹ Optional Services Industry Fact Sheet reviewed September 2015 at ATPCO.net.

Table 3: Resolution 787 Mandates for GDSs

- Allow individual carriers to determine their own prices and the nature of those products offered, depending on who the requestor is and what they are requesting.
- Facilitate the implementation of a “shopping basket” capability concept allowing for the consumer to add or remove items from their basket as they choose. Each of these choices can trigger a “re-pricing” of the offer(s) provided by the airline.
- Support distribution of new products as well as changes and amendments of existing orders.
- Facilitate a transparent display of products being offered and enable comparison among different products, benefiting the consumer.

Source: Resolution 787 Enhanced Airline Distribution at IATA.org reviewed September 2015.

These are major changes because it takes the pricing function out of the GDS and makes it the responsibility of the airline through its own passenger service system (PSS), pricing and merchandising engines. The GDS becomes a conduit for the pricing actions of the airline and actually identifies the consumer to the airline. These dramatic changes may force a GDS to reexamine existing system architecture and workflow processes to provide the flexibility demanded by Resolution 787, airline clients, and travel agency partners.

Technology companies such as Datalex, Farelogix, and OpenJaw, have stepped into the fray to build technological bridges between airlines, booking engines, passenger service systems, and the GDSs.

The outcomes that will someday occur through Enhanced Airline Distribution will be as disruptive as variable pricing was decades ago. The airline industry, and most notably American Airlines, is largely credited with pioneering the concept of yield management¹² which is recognized today as revenue management. The practice of offering prices through automation – based upon demand and supply algorithms – is now commonplace in many industries. Revenue management is poised to be followed by yet another major innovation through the personalized pricing enabled by NDC. This method offers the capability to combine revenue management and the attributes of individual consumers to deliver personalized pricing.

Let’s describe this development using potential applications. A consumer visits an online travel agency such as Expedia.com. The name, email address, and geolocation of the consumer is noted by the website and passed to the airline through the NDC process. The data is evaluated by the airline and a lower fare is offered because the geolocation indicates a lower income neighborhood and the consumer’s identity suggests a first-time customer for the airline. In another example, a self-employed business traveler requests a reservation through a corporate travel agency. Similar information is collected and passed to the airline. This traveler receives a bundled offer (for essentially the same trip) with a checked bag, priority boarding, and bonus miles, because the airline knows the consumer’s travel history and elite status . . . all courtesy of information contained in the carrier’s frequent flier database.

¹² “Interview: Former American Airlines CEO Robert Crandall” in *Business Travel News* dated 17 January 2014.

The pricing process could morph from being based upon demand and supply to one which adds the element of “willingness to pay.” From an airline perspective, this is very intoxicating stuff and creates an automated pricing environment unlike any other in the world. It’s rather similar to the car salesperson who evaluates a customer in the showroom before offering a deal. Consumers need not immediately brace for these changes, as the industry is years from implementing this style of personalized pricing. But if the history of revenue management can be considered a reliable predictor, one can imagine personalized pricing will eventually find a home in the airline industry and later be embraced by other online retailers.

Ryanair wants to become the Amazon.com of travel

This report began with a trip back in time with a display of the 2001 version of Ryanair’s website. The world’s leading low cost carrier has made amazing advances in the promotion and distribution of its airline product. Gone is the website which IdeaWorksCompany once cheerfully described as representing “Vegas-style glory with blinking Christmas lights, an array of fonts, and more color than a Disney cartoon.”¹³ What now exists is a website as cool and corporate as that offered by any low cost carrier in the world.

The most surprising change is largely hidden from public view. Ryanair has jumped in with both feet into the world of global distribution. A la carte services, which can range from baggage, paid seats, and priority boarding, can be booked in Amadeus, Sabre, and Travelport. This is all the more amazing when established GDS carriers, such as Aer Lingus, Alaska, British Airways, and Virgin Atlantic offer no current capabilities in this regard.¹⁴ It’s true, these airlines, along with many others, have yet to fully support the sale of optional extras through travel agencies. Watch these carriers, as they undoubtedly want to add more a la carte capabilities to their GDS distribution.

But the best is yet to come. Ryanair disclosed it will overhaul Ryanair.com yet again to create a website offering price comparisons with competing airlines.¹⁵ The airline hired 200 IT staff over 18 months to remake its website to better compete with the likes of Skyscanner.com and Google Flights. Recent evidence of the carrier’s broad retail orientation was provided when it swapped an exclusive relationship with Hertz for the direct connection offered by CarTrawler to more than 1,500 leading and independent car rental agents.¹⁶

The forever quotable Michael O’Leary, CEO of Ryanair, provides the perfect conclusion to this report, “We want to become the Amazon.com of travel in Europe, with a whole load of additional services: price comparison, cut-rate hotels, discounted football tickets, concert tickets.” It’s a sentence that instantly conveys the next level of airline merchandising.

¹³ “Ryanair – The Godfather of Ancillary Revenue” dated 19 February 2008 at IdeaWorksCompany.com.

¹⁴ CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany, September 2015.

¹⁵ “Ryanair to take on online travel companies with new site” article in *The Irish Times* dated 11 August 2015.

¹⁶ “Ryanair Launches New Car Hire Service, Powered By CarTrawler” press release dated 25 August 2015 at Ryanair.com.



Exceeding Expectations

“IdeaWorksCompany exceeded our training expectations.

Managers and board members attended Jay Sorensen’s workshops to learn from his expertise. His insight brought new dimension to our knowledge of industry trends and client-oriented service innovation. The key takeaways of the workshop provided our team of vice presidents with a clearer roadmap on how to develop our new AAA – Avianca Ancillary A la Carte – program.”

Estuardo Ortiz
Chief Revenue Officer



Airlines all over the world choose IdeaWorksCompany for a revenue boost.

IdeaWorksCompany is a leading consulting resource for ancillary revenue and loyalty marketing. Our client list spans the globe – Europe, Middle East, Americas, South Pacific, and Asia – and every type of carrier. Avianca benefited from our expertise in the areas of frequent flier programs, ancillary revenue, and a la carte services.

Reach Jay Sorensen direct at Jay@IdeaWorksCompany.com

Avianca 

A STAR ALLIANCE MEMBER 



Avianca is the commercial brand that represents the Latin American airlines integrated into Avianca Holdings S.A. The airline, which is a Star Alliance member, serves 98 destinations in 26 countries throughout the American and European continents with its modern fleet of 173 aircraft, including the Boeing 787 Dreamliner.