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## **Testing Consumer Patience - Airline Executives Predict More Fees**

69% of airline executives in a worldwide survey say charging fees for services - - instead of including benefits in the price of a ticket - - will become more prevalent.

September 3, 2008, Shorewood, Wisconsin. IdeaWorks, in cooperation with Terrapinn's upcoming World Low Cost Airlines Congress in London (www.LowCostAirlinesWorld.com), has conducted its second annual survey of airline executives on the topic of ancillary revenue and a la carte pricing. Nineteen a la carte fees were included in the 2008 survey.

The results are clear: with excess capacity keeping a lid on airfares, more and more airlines are turning to a la carte pricing to provide an ancillary revenue boost. A la carte pricing has become especially prevalent in the USA, where major airlines have made an unprecedented rush to new fees for checked baggage, inflight services, and frequent flier benefits. Airline CEOs are obviously desperate to recover the profits lost to the spiraling cost of jet fuel.

How far has this practice spread among airlines? What new fees are airline executives planning for the future? To answer these questions, IdeaWorks surveyed airline executives all over the globe. Here is a sampling of observations from the analysis:

- Fees for call centre support are nearly tapped out with 81% of airline executives reporting current or future fees.
- Only 6% currently charge fees for onboard internet and email access, with 57% saying they will add this fee in the future.
- The sale of meals and sandwiches leapt from 36% for 2007 to 50% for 2008.

Testing Consumer Patience - Airline Executives Predict More Fees was released today as a 9-page Industry Analysis. The full report is available at the IdeaWorks web site: http://www.ideaworkscompany.com/news/.

**About IdeaWorks:** IdeaWorks was founded in 1996 as a consulting organization building revenue through innovation in product, partnership and marketing. Its international client list includes the airline, hotel, marine, railroad, and consumer product industries. The firm is a leading expert on creating ancillary revenue opportunities for airlines. IdeaWorks has worked with airlines on ancillary revenue projects in Europe, the United States, and South America. The consulting firm has helped create frequent flier programs and develop co-branded credit cards in the USA, Europe, and South America. Learn more at: IdeaWorksCompany.com