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## **Europe's Top 4 Low Cost Carriers Generated 470 Million Euros (US\$593 Million) From Non-Ticket Sources in 2005**

*But U.S. frequent flier programs produced revenues estimated at 2.5 billion Euros (more than US\$3 billion) and better per passenger results.*

October 10, 2006, Shorewood, Wisconsin, USA. The IdeaWorks Company has analyzed non-ticket revenues, also called ancillary revenues, for airlines in the United States, Europe and throughout the world.

Michael O'Leary, Chief Executive of Ryanair, Europe's largest low cost carrier, wants to offer free airline tickets by replacing traditional ticket sales with revenues produced by ancillary activities. His statement reflects how Europe's budget airlines have morphed the Southwest Airlines model of providing overall value into an a la carte style of offering ultra-low fares and charging consumers for services such as checked baggage.

An IdeaWorks analysis reveals growing distinctions between the LCC model that is prevalent in the United States and that which is developing throughout the world. Here is a sampling of the observations from the analysis:

- European low cost airlines are more likely to charge consumers for services such as advance seat assignments, checked baggage, onboard snacks and drinks, and purchasing tickets with a credit card.
- IdeaWorks estimates Ryanair's aggressive use of a la carte pricing generated ancillary revenues of €7.76 (US\$9.77) per passenger.
- United's Mileage Plus frequent flier program posted amazing ancillary revenue results of €9.40 (US\$11.98) per passenger.
- AirAsia, Air Berlin, easyJet, Ryanair, SkyEurope, Virgin Blue, and WestJet are among the airlines that now list ancillary revenues in their financial statements.

**"Europe's Top 4 Low Cost Carriers Generated 470 Million Euros (US\$593 Million) From Non-Ticket Sources in 2005"** was released today as an 8-page Industry Analysis.

The full Industry Analysis is available at the IdeaWorks web site:

<http://www.ideaworkscompany.com/news/>.

**About IdeaWorks:** IdeaWorks was founded in 1996 as a consulting organization building brands through innovation in product, partnership and marketing and, building profits through financial improvement and restructuring. Its international client list includes the hotel, airline, marine, railroad, consumer products and health care sectors. IdeaWorks specializes in brand development, customer service improvement, customer research, competitive analysis, creating partner marketing strategies, cost reduction programs and business restructuring. Learn more at [www.IdeaWorksCompany.com](http://www.IdeaWorksCompany.com).

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