



Ancillary Revenue Provides Rare Good News for Airline Industry

Sales from non-ticket sources in 2019 jump 20% for the top 10 airlines, while 2020 results show a la carte rates are holding.

September 29, 2020, Shorewood, Wisconsin – The 2020 edition of the **CarTrawler Yearbook of Ancillary Revenue** by IdeaWorksCompany is the largest ever, with 81 airlines disclosing results. By every measure, 2019 was a year of overwhelmingly good ancillary revenue for airlines – which provided resilience for the challenges of 2020. The table below shows the top 10 airlines ranked by sales from non-ticket sources. Emirates’ increase is partially explained by a giant first-time disclosure; whereas prior years only revealed excess baggage. Clearly, Emirates has joined other major airlines by embracing ancillary revenue as an essential activity.

Top 10 Airlines – Total Ancillary Revenue				
Rank	Carrier	2018	2019	2019 Change
1	American	\$7,245,000,000	\$7,413,000,000	+2%
2	United	\$5,802,000,000	\$6,580,000,000	+13%
3	Delta	\$5,570,000,000	\$6,198,000,000	+11%
4	Southwest (FF)	\$4,049,000,000	\$4,498,000,000	+11%
5	Ryanair Group	\$2,801,536,938	\$3,311,255,802	+18%
6	Air Canada	\$1,452,733,488	\$2,549,719,104	+76%
7	Alaska Air Group	\$1,388,000,000	\$2,033,560,500	+47%
8	Lufthansa Network Airlines	\$1,952,518,333	\$1,933,431,476	-1%
9	International Airlines Group	\$1,701,544,393	\$1,932,190,010	+14%
10	Emirates	\$120,898,570	\$1,927,297,481	+1,494%
	Totals	\$32,083,231,722	\$38,376,454,374	20%

2018 and 2019 carrier results were based upon 12-month financial period disclosures for each year. (FF) 80% or more of carrier’s ancillary revenue is produced by its frequent flyer program.

This year’s 81 airlines represent a very robust 68.6% of IATA’s worldwide airline industry traffic estimate for 2019. The list is a collection of the world’s best performing ancillary revenue airlines. Over all, ancillary revenue as a percentage of total airline revenue was 12.1% for 2019, which is a significant increase above the 10.7% for 2018.

“Covid-19 has had an enormous impact on the travel industry but there is also cause for optimism,” said Aileen McCormack, Chief Commercial Officer at CarTrawler. “Thankfully, a significant number of the world’s largest airlines have realised the value of investing in a superior ancillary revenue platform, which is apparent by the outstanding results we see from last year and which has cushioned the financial blow of Covid. The travel industry has work to do to regain the losses caused by the pandemic, but we have strong foundations on which we can recover and thrive. By working together we can drive recovery into the next decade.”

This yearbook includes first-ever current year projections. The pandemic requires an assessment of how this global event is affecting airlines and ancillary revenue. Airline activity has significantly decreased during 2020. IATA’s annual mid-year projection of current year activity indicates an approximate 50% drop in airline revenue and passenger traffic. Each individual airline listing includes an ancillary revenue projection for 2020. The projection is based upon 2019 ancillary revenue as a percentage of total revenue, with adjustments made to reflect the airline revenue and passenger traffic losses caused by the pandemic. The table below displays the results of this process for the top ten airlines.

Top 10 Airlines – 2019 Actual and 2020 Projected Ancillary Revenue				
Rank	Carrier	2019	2020	2020 Change
1	American	\$7,413,000,000	\$3,881,316,754	-48%
2	United	\$6,580,000,000	\$3,387,653,171	-49%
3	Delta	\$6,198,000,000	\$2,917,882,417	-53%
4	Southwest (FF)	\$4,498,000,000	\$2,937,897,849	-35%
5	Ryanair Group	\$3,311,255,802	\$1,633,172,490	-51%
6	Air Canada	\$2,549,719,104	\$681,442,560	-73%
7	Alaska Air Group	\$2,033,560,500	\$1,141,875,458	-44%
8	Lufthansa Network Airlines	\$1,933,431,476	\$755,084,909	-61%
9	International Airlines Group	\$1,932,190,010	\$802,245,292	-58%
10	Emirates	\$1,927,297,481	\$778,629,528	-60%
	Totals	\$46,622,331,429	\$23,684,505,838	-49%

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compare available seat kilometer statistics for full calendar years 2019 and 2020.

The 2020 ancillary revenue projections are based upon the individual airline rates calculated for 2019. Research was conducted to assess how 2020 is comparing to last year. Second quarter 2020 financial disclosures collected from 17 airlines revealed the ancillary revenue average among these carriers was 21.7% for the first quarter of 2019 and 22.1% for 2020. Half the carriers showed increased ancillary revenue for 2020, while the other half showed decreases. The yearbook also includes tables which rank the 81 airlines by ancillary revenue as a percentage of total airline revenue and dollars per passenger. Please refer to the end of this press release for a graphic displaying the top 20 results on a percentage basis.

Feedback from ancillary revenue executives all over the world indicates consumer buying behavior related to a la carte services is comparable to 2019. Notably, seat location has become an important feature, as passengers want to be in the front of the cabin for a quicker and smoother exit upon arrival. Extra leg room, which provides more personal space, is also popular with consumers.

The world's airline industry is facing an epic struggle, which has also created a crisis for employees. The exceptional ancillary revenue of 2019 added a layer of cash to airline balance sheets for the long, cold revenue winter of 2020. Just as important, the higher rates of ancillary revenue have remained durable during the pandemic. This delivers reliable cashflow while airlines experiment with very low fares to tempt consumers back into the air.

Prior reports issued by IdeaWorksCompany this year have used the following mantra to remind us of an enduring truth amid the challenges of the pandemic, "Travel is an essential element of being human. We work in a business that is a very meaningful part of modern life. People love to travel and business people need to travel. Travel will return again." These words remain true and the resilience of ancillary revenue testifies to this.

The **2020 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany** was released today as a free-of-charge report sponsored by CarTrawler. The full report is available at <https://ideaworkscompany.com/reports/>.

IdeaWorksCompany offers a graphic of the top 20 airlines ranked by ancillary revenue as a % of total revenue at the press release section of the IdeaWorksCompany.com website. Please refer to the yearbook for all 81 airlines.

About CarTrawler: CarTrawler is the leading B2B provider of car rental and mobility solutions to the global travel industry. We bring opportunities to life through an online marketplace connecting our partners, customers and mobility suppliers. CarTrawler's end-to-end technology platform expands our airline and travel partners' offering to their customers, creating substantial ancillary revenue opportunities. We provide unrivalled breadth and depth of content worldwide, including car rental, private airport transfer and ride-hailing services. CarTrawler creates innovative, data-led solutions for some of the largest travel brands in the world, including American Express, Alaska Airlines, easyJet, eDreams ODIGEO, Hotels.com, KLM, TravelStart and Emirates. As a B2B company we focus solely on helping our airline and travel partners build their brands, not our own. CarTrawler was established in 2004. Our headquarters are in Dublin, Ireland, with an office in New York. For more information visit www.cartrawler.com.

About IdeaWorksCompany: IdeaWorksCompany boosts airline profits through innovations in ancillary revenue, a la carte pricing, and loyalty marketing. The firm was founded in 1996 and has an international client list of airlines and other travel industry firms in Asia, Europe, the Middle East, and the Americas. IdeaWorksCompany enjoys a reputation as a global resource for ancillary revenue strategy, on-site executive workshops, and research reports. Learn more at IdeaWorksCompany.com.

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