



Average Ancillary Revenue per Passenger Jumps 39% Since 2019

Ancillary revenue results show widespread improvement in the 2022 edition of the CarTrawler Yearbook of Ancillary Revenue

September 27, 2022, Shorewood, Wisconsin and Dublin, Ireland – The 2022 edition of the **CarTrawler Yearbook of Ancillary Revenue** by IdeaWorksCompany, released today, describes the 2021 ancillary revenue activities and results for 75 airlines. The gradual waning of the pandemic during 2021 – with passenger traffic improving 27.8% above 2020 – lifted ancillary revenue results for all categories of airlines, all over the world.

Average ancillary revenue per passenger was \$29.96 among 75 airlines disclosing results for 2021. This is an \$8.42 increase from the 2019 pre-pandemic result of \$21.54 per passenger, the last year that offers a relevant comparison. But the improvement didn't stop there: When measured by "ancillary revenue as a % of airline revenue," each of four airline categories showed better results for 2021:

Carrier Categories – Ancillary Revenue as a % of Total Revenue				
Period	US Major	High Performing LCC	Other LCC	Other Carrier
2021	22.2%	36.3%	10.5%	7.4%
2019	16.1%	27.0%	9.0%	6.7%
Change from 2019	↑ 6.1 points	↑ 9.3 points	↑ 1.5 points	↑ 0.7 points
<p><i>Average of all carriers in each category. 2021 and 2019 carrier results were based upon 12-month financial period disclosures for each year. Source: CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany</i></p>				

“It’s been no secret that the airline industry recovery has not been as smooth as we hoped following the pandemic, but it’s clear from the 2022 CarTrawler Yearbook of Ancillary Revenue that ancillary revenue has been a key driver of revenue for airlines in 2021,” says Aileen McCormack, Chief Commercial Officer, CarTrawler. “The report shows significant increases in ancillary revenue as a percentage of total revenue across all flight carriers – up to 35.5% for high-performing low-cost carriers and 22.2% for major US airlines, which is a very encouraging result for the industry. We are delighted to support our partners both in implementing technology to assist with ancillary revenue generation as well as through sponsoring this report to provide true insight into a key channel of revenue for the industry.”

The pandemic has compelled airlines to become better at generating ancillary revenue. The “High Performing LCC” category includes Frontier, Jet2.com, Jetstar, and Volaris. The “Other LCC” category (defined as having a rate under 16%) consists of carriers such as AirBaltic, Cebu Pacific, and FlyDubai. The “Other Carrier” category has the largest number of airlines, 32 out of the 75 in the yearbook, and includes traditional carriers such as Aeromexico, Finnair, and Kenya Airways. The US Majors are: Alaska Air Group, American, Delta, Southwest, and United.

GOL had the greatest increase of 16 points among airlines appearing in the 2019 and 2021 yearbooks. The carrier’s ancillary revenue as a percent of total revenue was 33% for 2021 and 17% for 2019. Frontier had the second highest increase with an 11.3-point jump for 2021. Europe’s new king of ancillary revenue, Wizz Air, was third-ranked with a 10.6-point increase compared to 2019. The top 10 airlines, ranked by 2021 result, are listed in the table below:

Top 10 Airlines – Ancillary Revenue as a % of Total Revenue				
Rank	Airlines	2021 Result	2019 Result	Change from 2019
1	Wizz Air	56.0%	45.4%	↑ 10.6 points
2	Frontier	54.9%	43.6%	↑ 11.3 points
3	Spirit	54.3%	47.0%	↑ 7.2 points
4	Allegiant	51.3%	46.5%	↑ 4.9 points
5	Viva Aerobus	44.8%	45.0%	↓ 0.2 points
6	Ryanair Group	44.7%	34.5%	↑ 10.3 points
7	Volaris	42.9%	38.5%	↑ 4.4 points
8	GOL	33.0%	17.0%	↑ 16.0 points
9	easyJet	31.4%	21.6%	↑ 9.9 points
10	Pegasus	30.8%	26.4%	↑ 4.4 points

*2021 and 2019 carrier results were based upon 12-month financial period disclosures for each year.
Source: CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany*

The fascinating element of the table is the almost universal positive results for 2021 compared to the pre-pandemic period of 2019. As a group, these high-performing airlines learned how to up their game in the following ways:

- **Expanded their product offerings** such as large carry-on fees, extra leg room zones, subscription-based benefits, freeze your price, and prepaid change flexibility.
- **Adopted better retailing methods** using mobile apps, websites, and online travel agencies to facilitate easier booking and more visibility.
- **Responded to high demand** with higher pricing as the industry moves through the pandemic recovery period.
- **Applied revenue management** techniques perfected for decades in the pricing of airfares.

Frequent flyer programs maintained their role as robust revenue sources as consumer spending began its rebound during the year. The co-branded credit cards associated with large programs – especially those in the US – generate revenue based upon everyday consumer spending. This preserves cashflow even when passenger traffic or fare revenue declines.

Frequent Flyer Revenue Analysis – 2021			
Sampling of airlines, appearing in order of total loyalty program revenue disclosed.			
Airlines – Program Name	Frequent Flyer Revenue	Per Passenger	Per Program Member
American – AAdvantage	\$4,333,000,000	\$26.15	\$37.68
United – MileagePlus	\$3,326,000,000	\$31.96	\$31.38
Qantas – Frequent Flyer	\$735,145,781	\$85.88	\$54.05
Air Canada – Aeroplan	\$662,609,942	\$50.23	\$37.23
LATAM Group – LATAM Pass	\$534,000,000	\$13.29	\$13.69
JAL – Mileage Bank	\$439,179,899	\$25.64	\$13.31
Air New Zealand – Airpoints	\$276,366,223	\$31.95	\$76.77
Azul – TudoAzul	\$219,454,225	\$9.41	\$16.02
Aerolineas Argentinas – Plus	\$85,571,562	\$17.83	\$28.52
Royal Jordanian – Royal Club	\$3,001,410	\$1.91	\$6.98
<i>All airlines are calendar year 2021 except Qantas and Air New Zealand with a fiscal year 30 June 2021, and Japan Airlines with a fiscal year of 30 June 2022.</i> <i>Source: CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany</i>			

Attractive per passenger revenue is realized in markets which support consumer charge activity with card portfolios that command good prices for the miles or points sold to card-issuing banks. The five largest US airlines (Alaska, American, Delta, Southwest, and United) generated revenue of \$16.4 billion from their frequent flyer programs in 2021. This yields an average of \$30.88 per passenger, which is significantly above the 2019 rate of \$25.71 per passenger for the five carriers. However, the \$16.4 billion 5-carrier total for 2021 remains more than 15.7% below 2019. More than 90% of this cash bonanza is courtesy of co-branded credit card programs.

For the past two years, ancillary revenue has yielded amazing cashflow for airlines. Consumers benefit from a la carte products and the choice of minimum price or maximum convenience. The billions in revenue realized by the 75 airlines included in this yearbook may well represent the difference between a difficult survival or disappearance from the route map of the global airline industry.

The **2022 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany** was released today as a free-of-charge 145-page 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 75 airlines.

About CarTrawler: CarTrawler is the leading global B2B provider of car rental and mobility solutions to the travel industry. Our purpose is to drive successful partnerships.

CarTrawler's end-to-end technology platform expands our airline and travel partners' offerings 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 United Airlines, American Express, easyJet, Alaska Airlines, SWISS, Hotels.com and Emirates. As a B2B company we focus solely on helping our airline and travel partners build their brands, not our own.

About IdeaWorksCompany: IdeaWorksCompany boosts airline profits through innovations in ancillary revenue, a la carte pricing, loyalty marketing, and airline retail. 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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