



## Assigned Seating Fees Are Big Business with Estimated Revenue of \$4.2 Billion for 8 US Airlines

*IdeaWorksCompany report determines the scale of activity, how fees are implemented, and how this key ancillary revenue source can be improved for airlines and consumers.*

**Dublin, Ireland & Shorewood, Wisconsin, 23 May 2023:** The inclusion of seat fees in President Biden's recent State of the Union address strongly suggests it is time to review the state of assigned seating fees. The \$4.2 billion estimate covers the assigned seat fee revenue generated by eight key US airlines (Alaska, Allegiant, American, Delta, Frontier, JetBlue, Spirit, and United) for their US domestic networks in 2022.

**Airlines Assign Big Revenue Priority to Seat Selection** was issued today as a 15-page report. It includes the results of booking queries conducted at six US airlines to sample the range of assigned seating fees from the back of the cabin to the preferred zone in front. Methods used by American and Spirit are featured to show distinctions between global network airlines and low cost carriers. In addition, five recommendations at the conclusion of the report suggest how to improve this multibillion-dollar business for airlines and consumers:

- **Encourage purchase with miles/points:** Allow your frequent flyer program to do its magic by integrating assigned seats as a bonus offer.
- **Create a product:** Guarantee travelers will receive their assigned seat or a truly equivalent replacement.
- **Accommodate families:** Guarantee that an adult and child will receive no-fee assigned seats in the booking path.
- **Strive for effective but simple seat maps:** Mark each seat with a price to imply value and provide graphics to quickly describe the benefits of different seat types.
- **Reduce and simplify rules:** It's just a simple seat assignment, not a major life event for the consumer. Making assigned seats refundable will greatly decrease complexity.

"With \$4.2 billion in ancillary revenue from assigned seating alone, it's clear that optimising this offering will ensure airlines continue to not only maximise their revenues, but also increase customer satisfaction and loyalty," says Aileen McCormack, Chief Commercial Officer, CarTrawler. "Our technology assists our partners in understanding exactly what their customer needs and when, and providing it seamlessly in the customer journey to enable them to increase conversion."

The full report is available to view at <https://ideaworkscompany.com/reports/>

**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](http://IdeaWorksCompany.com).

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