

September 28, 2023

Report: Ancillary Airline Revenue Surpasses Pre-Pandemic Levels

The airlines with the most ancillary revenue collected \$68.7 billion in 2022, an increase of 51.3 percent year over year, according to a new report from airline ancillary strategy firm IdeaWorksCompany.

By Donna M. Airoidi

This article is based upon a report issued by IdeaWorksCompany.

To produce the 2023 CarTrawler Yearbook of Ancillary Revenue, released Wednesday, the company scoured financial reports and data from 65 airlines that report ancillary revenue. The year-over-year comparison used just the 61 airlines that also appeared in last year's edition.

Ancillary revenue includes fees for such extras as checked bags, amenities like upgraded seats and early boarding, as well as frequent-flyer program sales and commissions from sales of non-airline travel services. It also includes advertising initiatives linked to passenger travel, such as in-flight ads or those on aircraft, in gate areas or in airport lounges.

The 2022 ancillary revenue figure was up nearly \$10 billion—16 percent—compared with pre-Covid-19 2019 levels, though the roster of disclosing airlines changes from year to year.

The report credits the increase in traffic with more ancillary-related sales, as well as other factors, such as more crowded airports and aircraft, leading consumers to "spend money on comfort and conveniences."

The top 10 airlines based on ancillary revenue included eight from North America, with the four largest U.S. airlines taking the top four spots. This was "principally due to the power of the loyalty component of ancillary revenue," according to the report.

Delta Air Lines had nearly \$8 billion in 2022 ancillary revenue, up 37 percent year over year. United Airlines had nearly \$7.9 billion, up 44.1 percent from 2021. American Airlines came in third with more than \$7.7 billion, up 30.8 percent from a year prior, while Southwest Airlines was fourth with more than \$5.9 billion, an increase of 43.7 percent year over year.

Spirit, JetBlue, Alaska Airlines and Air Canada rounded out the other four in the top 10. The two non-North American carriers in the list included Ryanair at fifth with \$4 billion in ancillary revenue, up 57.1 percent from 2021, and EasyJet with nearly \$2.4 billion, an increase of 273 percent year over year.