



April 24, 2024

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How airline "drip pricing" can disguise the true cost of flying

IdeaWorksCompany contributed information to this article - - see italics.

With many airlines now hawking "unbundled" fares, it's easy for travelers to mistake low advertised prices for cheap plane tickets. But for consumers eager to get the best deal on flights heading into the summer travel season, it pays to learn how "drip pricing" can make airfare more expensive.

Indeed, selecting the cheapest base fare is no longer the best way to get a good deal, according to travel experts. That's because airlines now routinely charge more money for "extras" such as seat assignments, checked bags, snacks or wifi.

"Nobody likes feeling nickel-and-dimed, like the price they saw for a flight was a bait and switch," Scott Keyes, founder and CEO of travel site Going.com, told CBS MoneyWatch.

Here's what to consider. At first glance, the initial pricing for a flight you find on an online travel site might seem temptingly low. But after factoring in the cost of selecting your seat, checking bags and other add-ons, the fare can end up being much higher — as much or more than an all-inclusive fare.

This model, commonly referred to as drip pricing, can certainly boost an airline's revenue, and proponents say it benefits consumers by allowing them to pay only for the perks they truly value. For their part, critics say it makes it harder to determine the true cost of flying and to compare prices among airlines.

Keyes traces drip pricing back to 2008, when airlines began charging passengers to check second bags. That allowed full-service carriers to offer a lower-cost, no-frills ticket in order to compete with budget carriers.

"That lower headline price brought people in — then they started adding seat-selection fees," Keyes said. "It's an innovation from the budget airlines that the entire industry has copied and that full-service airlines have adopted for themselves."

"It makes it very difficult"

For consumers, however, the problem with unbundling fares is it makes it trickier to compare what different airlines charge for tickets, experts told CBS MoneyWatch.

"It makes it very difficult to find out what the all-in price will be," said Columbia Business School marketing professor Vicki Morwitz, who authored a report on how consumers react to drip pricing.

Her research shows that consumers tend to book the ticket option that looks cheaper upfront, but costs more once add-ons are factored in. "Consumers make a mistake and spend more money than they needed to spend," she explained.

Jay Sorensen, president of IdeaWorks, a consultancy that has advised U.S. airlines, agrees that drip pricing makes comparing airline ticket prices more complicated. But he still thinks it can benefit consumers by letting them pay for the extras they want, while leaving behind those that aren't important to them.

"The outcome is of course that it's more difficult to compare between different products and airlines," he said. "While that's true, airlines, as profit-seeking companies, are under no obligation to make it easier to compare with their competitors."

Sorensen compared the experience of booking airfare today to shopping for groceries.

"You roll in with your shopping cart, and as you walk through the aisles you toss stuff in your cart," he said. "You buy a base fare, and as you go through the booking path you add things to the cart, like a checked bag, seat assignment, or pay to book a meal or other services," he said. "That's dramatically different from the way travel was once sold in U.S."