



Low-Cost Carriers Reach Ancillary Revenue Records While Traditional Airlines Stumble

Top-performing LCCs gain 13.1% on a per passenger basis, but traditional airlines drop 4.3% in the 2024 CarTrawler Yearbook of Ancillary Revenue

September 24, 2024, Shorewood, Wisconsin and Dublin, Ireland – The 2024 edition of the **CarTrawler Yearbook of Ancillary Revenue** by IdeaWorksCompany, released today, describes ancillary revenue activities and results for 68 airlines in 2023, revealing divergences in trends and providing an assessment of the industry as a whole. Key findings include:

- **LCCs post record-breaking performance:** Spirit Airlines achieved ancillary revenue of 56.4% of total revenue, which is a global record. Ancillary revenue for Jet2.com was \$95.83 per passenger, which represents another global record.
- **Ancillary revenue surges above pre-pandemic levels:** For 2023 the top 10 airline companies generated \$54.1 billion, which is far in excess of the \$38.4 billion result for the top 10 companies for the pre-pandemic year of 2019.
- **Traditional airlines were challenged:** Total ancillary revenue was up for the category, but declined on a per passenger basis. Other revenue, which includes passenger fares, declined by a larger amount, which hints at competitive troubles.
- **Frequent flyer program revenue jumped:** Total loyalty revenue for the top 10 programs was \$32.2 billion, which was 18.6 % higher than 2022.
- **United Airlines sets new ancillary revenue record:** United reported \$9.5 billion in ancillary revenue, a record 20.9% increase from 2022, although its per passenger increase was a modest 6.2%, with loyalty revenue representing 58% of total ancillary revenue.

While total ancillary revenue for the top 10 airlines surpassed pre-pandemic levels by over 41%, the report highlights the changing fortunes among air carriers. LCCs, which have a good share of their income powered by fees associated with optional extras, enjoyed solid gains on a per passenger basis. Traditional airlines have an advantage to boost ancillary revenue through their loyalty programs and co-branded credit card portfolios. Carriers in every category can become even better travel retailers, if they create destination-oriented websites that divert consumers from online competitors and airlines that rely upon a travel-as-a-commodity approach.

Jet2.com achieved a remarkable per-passenger ancillary revenue of \$95.83, showcasing the success of integrating additional travel services, such as accommodations and car rentals, into their offerings. Meanwhile, average loyalty program revenue per passenger for the big 5 US airlines (Alaska, American, Delta, Southwest, United) reached \$34.86, which is nearly a 36% increase from 2019. These findings collectively suggest that airlines which tailor ancillary offerings to the types of customers they are best positioned to serve will likely enjoy financial success in the evolving travel landscape.

“The 2024 CarTrawler Yearbook of Ancillary Revenue offers a compelling insight into a dynamic and competitive market landscape. While we’re seeing ancillary revenue continue to grow overall, it’s clear that airlines need to adopt a renewed strategy focused on value-added services to thrive in the face of intense competition,” said Aileen McCormack, Chief Commercial Officer at CarTrawler.

“One notable trend we’re observing, and a key to unlocking further growth, is the enhancement of loyalty programs, which are already generating billions in revenue for major US airlines. At CarTrawler, we support the world’s leading brands in travel to enhance their loyalty offerings by providing a dynamic car rental loyalty proposition tailored to our partners’ needs. We currently power car rental loyalty for 21 partners, including United Airlines, Air France KLM, Wizz Air and Emirates. Loyalty is a core focus for CarTrawler, as we continue to invest and enhance our proposition to help our partners unlock their full potential in a competitive landscape.”

Of the 68 airlines in this Yearbook, 57 were included in last year's edition, allowing for direct comparisons. The following table shows the per-passenger changes in "total ancillary revenue" and "all other revenue." The latter is a new metric representing the majority of revenue from sources such as passenger tickets, cargo, and services sold to other airlines, including maintenance and ground handling.

Same Set Comparison of Yearbook Airlines 57 airlines appearing in 2024 and 2023 editions		
Airline Categories	Per Passenger – 2023 Change Over 2022	
	Ancillary Revenue	All Other Revenue
High Performing LCCs	13.1%	9.5%
Traditional Airlines	-4.3%	-12.3%
Other Low Cost Carriers	6.3%	3.2%
US Majors	4.2%	4.3%
Total Industry	0.5%	-0.5%

*2023 and 2022 carrier results were based upon 12-month financial period disclosures for each year.
2024 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany*

The **2024 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany** was released today as a free-of-charge 109-page report sponsored by CarTrawler. The full report is available at <https://ideaworkscompany.com/reports/>.

Notes to Editors: IdeaWorksCompany offers a graphic of the top 10 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 68 airlines.

About CarTrawler: CarTrawler is the leading global B2B provider of car rental and mobility solutions to the travel industry. Recognised for its innovative technology solutions, CarTrawler is the partner of choice for the world's leading travel brands, enabling them to offer car rental, airport transfer and ride-hailing services to their customers.

CarTrawler's purpose is to drive successful partnerships, by creating substantial ancillary revenue opportunities for the travel and airline industry.

Founded in 2004 in Dublin, Ireland, CarTrawler's proprietary technology, the Connect platform, connects customers to more car rental options than anyone else in the world. Their team of in-house experts designs, builds and powers tailored software solutions which are easily integrated into partners' websites and intuitive to use. Developed over 20 years, CarTrawler's innovative, bespoke and data-led solutions have proven conversion rates and measurable returns.

CarTrawler's global network connects more than 50,000 car rental locations worldwide, working with the biggest industry players including United Airlines, American Express Travel, American Airlines, easyJet, Uber, Hotels.com and Emirates.

Find out more at cartrawler.com.

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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