CarTrawler | Bringing opportunities to life

Through a global online marketplace bringing partners, customers and suppliers together.

**B2B MOBILITY PLATFORM**
The only B2B mobility platform providing end-to-end connections to every significant mobility provider globally.

**B2B FOCUS**
Delivering long term, sustainable growth by building your brand and improving customer ownership. We never compete to acquire your customers.

**ONLINE RETAILING EXPERTISE**
Maximising conversion and revenue through bespoke partner solutions focused on cross-selling the right product at the right time.

**PERSONALISATION**
Pricing, content and display is personalised based on each customer’s itinerary and powered by data science.

**CHOICE**
Customers can shop the market without leaving your site. We provide them with multi-modal content including car rental, private transfer, taxis, shared shuttle and bus in 50,000 locations.

**TECHNOLOGY**
CarTrawler technology is built in-house specifically with B2B in mind. Our understanding of travel distribution supports seamless integration of our partners.
About CarTrawler

Our market-leading B2B mobility platform brings opportunities to life for our partners and their customers, building long term sustainable growth. We maximise market share and in turn revenue for our partners by building their brands not our own.

CarTrawler connects in real time to every significant mobility supplier globally including car rental, private transfer, taxis, shared shuttle and bus. We make that content available to over 900M airline passengers through our 100+ airline partnerships.

We power over 85% of European airline’s online traffic using an aggregator solution, including Ryanair, Vueling, Norwegian Air Shuttle, SWISS and KLM. We also work with other key partners such as Emirates, Virgin Australia and Volaris powering their mobility solutions.

Discover CarTrawler

www.cartrawler.com/partnerships
✓ Create significant ancillary revenue

✓ Value add for travelers

✓ Fast & Easy to Launch

Powering Airline Partners

easyJet  
Emirates  
KLM  
Royal Dutch Airlines  
transavia  
RYANAIR  
WIZZ  
norwegian  
WOW  
PEGASUS AIRLINES
State of the Industry Report:
Merchandising highlights from 2018 and trends for 2019

Jay Sorensen – President of the IdeaWorksCompany

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Around the airline revenue world in 15 minutes.

- Let’s browse a global selection of innovations identified by IdeaWorksCompany during 2018.
- **Alaska, British Airways, Ryanair, and Turkish** introduced notable initiatives that boosted ancillary revenue through seat assignments, frequent flyer programs, and bag fees.
- **Frontier, Ryanair, and Wizz Air** introduced subscription, bag, and branded fare innovations that other airlines will follow for 2019 and beyond.
About me.

- Part of the Midwest Airlines start-up team, was Director of Marketing, threw bags, cleaned aircraft, and was an early believer in ancillary revenue.
- Started IdeaWorksCompany in 1996 to “Build Revenue through Innovation.”
- Camped, hiked, and visited 90+ national parks in the US with my family.
- Lead the Kids First Fund charity which prevents child abuse.

*In Moldova posing with staff and volunteers that train teachers on child abuse prevention.*
CarTrawler Worldwide Estimate of Ancillary Revenue

Ancillary Revenue Estimate (US$ Billions) vs % of Global Revenue

- 2010: 4.8%
- 2011: 5.6%
- 2012: 5.4%
- 2013: 6.0%
- 2014: 6.7%
- 2015: 7.8%
- 2016: 9.1%
- 2017: 10.6%
- 2018: 10.7%

Billions

Ryanair’s investment in tech pays dividends.

- The mobile app **behaves like a true store** with retail prompts such as “new everyday low price.”
- The seat map is filled with evidence of good design with seat **description icons that change** as the user scrolls through the seat map and the ability to place select seats **“on sale.”**
- Ryanair noted a big increase in the number of customers paying for allocated seating, from 23% in FY 2017 to **50% in FY 2018.**
- We estimate revenue is **$4.00 per passenger.**
Turkish dramatically improves its FFP.

- Miles&Smiles zoomed to the top of the 2018 Long-Haul Flights Reward Availability ranking.
- Saver-style economy reward seats were found to be available for 98.6% of the queries conducted.
- This is a 31.4 point jump from the 2017 survey result.
- Turkish was ranked close to the bottom with only 12.9% of long-haul queries producing saver-style economy rewards in 2010.
- It’s a more rewarding program for members.
Alaska links “loyal customers” to “higher margins.”

- Reward payback represents the reward value returned per dollar spent on base fares.
- Mileage Plan members holding its highest MVP Gold 75K status were found to receive **reward payback of 26.3%**. That’s reward value of $26.30 for every $100 spent.
- Regular members realized reward payback of **11.7%**; far above the **5.8%** average found for the largest US and Canada airlines.

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**Mileage Plan™**

<table>
<thead>
<tr>
<th>Miles for Miles</th>
<th>LAX-JFK = 2,475 miles (~1,300 miles with competitors)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low redemption prices</td>
<td>Starting at 5K</td>
</tr>
<tr>
<td>Fastest path to elite</td>
<td>20K = MVP</td>
</tr>
<tr>
<td>Global Partner access</td>
<td>Earn and Redeem to over 900 destinations</td>
</tr>
<tr>
<td>Complimentary Upgrades</td>
<td>42% First Class Upgrade Rate*</td>
</tr>
</tbody>
</table>

*excludes Alaska first until refunds are completed

British Airways expands Basic Economy worldwide.

- BA is the **only network airline** with a global Basic Economy product.
- Fees apply for the first checked bag and pre-assigned seats.
- In a sampling of London-Asia and London-South America routes, Basic Economy fares are often **below many nonstop competitors** (even after adding the £40 bag fee British Airways charges for a long-haul flight).

*Beyond basic: BA offers complimentary hot meals and a full bar service on long-haul flights.*
Frontier adds an amazing benefit to its Discount Den.

- Frontier’s Discount Den subscription costs $59.99 and provides exclusive access to **lower fares**.
- Starting in 2019 membership also includes a free kid ticket for every paid adult ticket. **Select dates are offered which appear to average about 8 days per month.**
- Of course these “free” travelers add bags, assigned seats, and food to boost ancillary revenue.

*Individual flights must display the Kids Fly Free icon to qualify.*
Ryanair finally finds its ideal baggage policy.

- Priority boarding sells for €6-10 and includes a 10 kg. carry-on bag.
- The airline seems to limit Priority sales to **80 passengers** on its 189-seat aircraft.
- Non-priority passengers are limited to a small carry-on and pay to check a bag.
- Dublin-Alicante flight (3 hours) was observed with **70 priority passengers** (70 x €10 = €700) + 60 paid bags (60 x €12 = €720) for total revenue of €1,420 or nearly **€7.50 per passenger**.
- 3 non-compliant passengers were observed.
Wizz creates a “smart” branded fare booking path.

- A la carte is a **larger factor** in the travel budget for families.
- The discount is displayed when a child age 2-14 is **included in the booking query**.
- Both options include **assigned seating and priority boarding**.
- Clicking on the “%” button revealed discounts ranging from **3% to 6%**.

*Dynamic pricing allows Wizz Air to selectively offer a more aggressive discount.*
Airlines use loyalty to boost ancillary revenue.

- **AirAsia BIG Loyalty**: Accrue points for à la carte purchases such as bags, assigned seats, and travel insurance.
- **AirBaltic Club**: Earn “pins” for additional services.
- **AirArabia Air Rewards**: 5% cash back on fares, 10% for à la carte spending.
- **Azul TudoAzul**: 100 points for the purchase of Azul Space service.
- **JetBlue TrueBlue**: 200 points for the purchase of Even More Space service.
- **Pegasus BolBol**: Accrue points for à la carte spending.
Amazon experiments with new 4-Star stores.

- All products are rated 4-stars or more.
- Products are grouped by **Most Wished For, Best Sellers by City, and Frequently Bought Together**.
- The store is open to all, but Prime members get special pricing.
- Three physical stores are open: California, Colorado, and New York.
- Amazon will **close 87 pop-up stores** to focus on 4-Star, Amazon Books, and a new grocery store concept.

Digital price tags allow Amazon to instantly update product details and pricing.
Quo vadis? The eternal question.

- **Operate your sales channels like true stores.** Use technology to deliver customized prompts that encourage consumers to spend more.
- **Know your niche, be it holidays, families, or business.** Build products to support it.
- **Loyal customers deliver better margins.** Maximize this by delivering what makes your airline distinct.
- **Focus on “how” consumers want to buy experiences.** Don’t rely upon how airline seats have traditionally been sold.
- **Experiment, fail, recover, and repeat.**
About IdeaWorksCompany: IdeaWorksCompany was founded in 1996 as a consulting organization building revenue through innovation in product, partnership and marketing. Its international client list includes the airline, hotel, marine, railroad, and consumer product industries. The firm is a leading expert on creating ancillary revenue opportunities for airlines. IdeaWorksCompany has worked with airlines on ancillary revenue projects in Europe, the United States, and South America. The consulting firm has helped create frequent flyer programs and develop co-branded credit cards in the USA, Europe, and South America. Learn more at: IdeaWorksCompany.com

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View from the front line of the Ancillary world

• Erna Kristjánsdóttir, Product Manager Ancillaries, Icelandair interviewed by
• Jay Sorensen, President, IdeaWorksCompany