



Ancillary Revenue  
**Solutions** For Global Carriers

# The Ancillary Evolution

A NEW PERSPECTIVE ON ANCILLARY  
REVENUE DEVELOPMENT

[asvgs\\_1280x800px.exe](#)

[www.airsavings.net](http://www.airsavings.net)



## The Ancillary Explosion

Ancillary revenue development strategies have grown and changed significantly over the past few years

- Relevance: From an LCC innovation to an industry imperative
- Integration and ownership: The rise of the white label microsite
- Customization: Dynamic packaging technology and the harnessing of the booking path



## The Persistence of the Big Three

But for all of the innovations and shifts, non-ticket ancillary revenues are still dominated by three main offerings:

- Hotel Reservation
  - Car Rental
  - Trip Insurance



## The Precarious One of the Big Three

While hotel booking and car hire enjoy a symbiosis with air travel that seems unshakable for the foreseeable future, TRIP INSURANCE is not so secure

New UK and EU regulations set for implementation next year will limit the efficacy of trip insurance as a pillar of ancillary revenue

Opt-out methodology will largely be preempted by new FSA/EU rules



## Bold Action is Needed

*The Operating Environment is still challenging, Ancillaries are as important as ever*

Airlines must take the next leap forward. They need innovation, a new solution to an old problem.

Importantly, airlines need to act quickly. The challenges facing the industry leave no time for hand-wringing and equivocating.

Innovations must be tested and implemented with the appropriate urgency



## The Next Idea

### Private Event Retailing

Also known as private sales or spot sales, private event retailing is one of the fastest growing trends in the retail industry.

An online version of sample sales, PER consists of invitation-only, limited-time sales featuring high-end brands often at prices 20%-70% lower than retail.

Private event retailing appeals to customers' sense of exclusivity as well as desire for value.



## PER- A Good Fit for Airlines

Airlines, particularly LCCs, are primed for Private Event Retailing. Three aspects of the combined marketplace are notable:

- **Value:** a cornerstone of LCC philosophy is value creation for the customer.
- **Online presence:** airline web sites are attracting more traffic and longer page views, increasing the opportunity for additional sales
- **Popularity:** PER is peaking in LCC strongholds, including EU

**DIESEL**  
FOR SUCCESSFUL LIVING

**LACOSTE**

**NOKIA**  
Connecting People

**D&G**  
DOLCE & GABBANA

**SAMSUNG**



## Private Event Retailing versus Trip Insurance

Travel insurance is a \$1.3 billion dollar industry in the US, and a market of comparable size in the UK (GBP 670 million).

By comparison, ONE private event retailing firm in Europe is projected to gross GBP 378 million this year. There are more than 40 PER firms in the France.

PER has grown by more than 30% in the past two years. Trip insurance has grown by 20% in the same time frame.

*PER can be a viable alternative to trip insurance as a key ancillary*



## Our Solution: PRIVILEGE OUTLET

→ PRIVILEGE OUTLET is a standalone website that offers private retail sales to invited guests, primarily selected airline passengers.

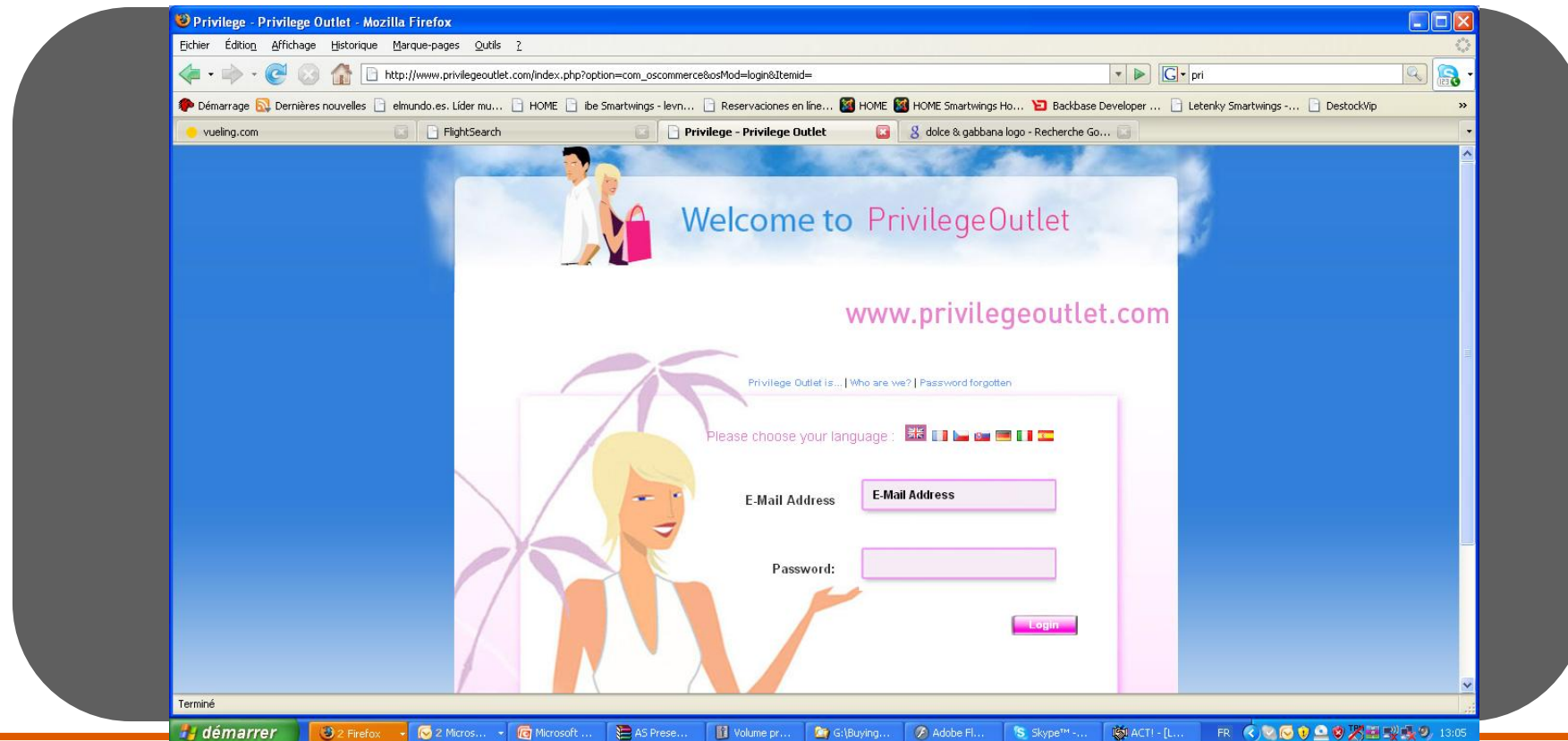
→ Simply, an invited passenger is sent an invitation to an exclusive, limited-time online sale featuring items by high-profile brands and designers.

→ The passenger receives the invitation, on the confirmation page or via email, and must register or 'opt-in' to participate, providing the airline with valuable customer preference information.



# AIRSAVINGS

Our Solution:  
PRIVILEGE OUTLET



www.airsavings.net



## Privilege Outlet Features:

- Net commission on each retail sale
- Full integration with existing booking engines
- Incorporation of other ancillary services into loyalty program
- Promotion and sales of additional airline seats- prepackaged with hotel, insurance, car rental and other ancillaries- sold on the privilege outlet website
- Provides financing for existing loyalty program, avoiding liability
- Active partnership with Airsavings, and integration with Airsavings' *AirlinePlus* platform



# AIRSAVINGS



## Privilege Pays

*Airsavings, by staying ahead of prevailing trends in both the retail and airline industries, has forged a best-of-both-worlds solution.*

Privilege Outlet creates value for passengers while reinvigorating loyalty programs and creating additional sales opportunities for airlines.

The market invites partnerships with luxury retail brands, in order to optimize the value proposition to upper-level frequent fliers.





# AIRSAVINGS



## The Target

*Target market : Existing LLC and Legacy carriers flying, stylish urban professionals on their flights.*

*For the Privilege Outlet initiative, Airsavings is contracting with the well-known brands and retailers best able to attract this high-value demographic.*





# AIRSAVINGS

Privilege Outlet and AirlinePlus  
compatibility with IBEs

NAVITAIRE

SITA



Under Development:

RADIXX  
INTERNATIONAL

amADEUS  
Your technology partner



# AIRSAVINGS



Airsavings Customers:





## Contact Us:

*Raphael Bejar - CEO*

rbejar@airsavings.net, Tel : +33 1 41 41 96 87

### AIRSAVINGS - FRANCE

29, Rue des Peupliers • 92100 Boulogne - France

### AIRSAVINGS - SINGAPORE

20 Cecil Street, #14-01 Equity Plaza 049705 - Singapore

Tel: +65 6303 2454, Fax: +65 6303 2455

[www.airsavings.net](http://www.airsavings.net)