

# Ancillary Revenues

How to leverage this opportunity

## **The Airline's Concerns :**

- 1 - Increase the ancillary revenues in 3 ways :
  - OFFER : extend the services portfolio
  - VOLUME : boost the number of ancillary sales
  - MARGIN : get higher margin/commission per sale
- 2 - Limit the investments during the 2 steps :
  - IMPLEMENT : IT development/integration costs
  - RUN : administration costs (Call center, customer care, transaction fees, invoice reconciliation...)

## **OFFER : extend the services portfolio**

### 1 – Non-Flight related services

- Bring convenience to your customer and offer the adequate / expected ancillary services :
  - The 3 pilars (big earners) :
    - » Hotel, Car rental, Travel Insurance
  - More fun services : Airport Lounge, SMS, Gaming...

### 2 – Flight related services

- Unbundle your product (baggage, check-in, catering...)

## **VOLUME : boost number of sales**

### 1 – Increase the penetration ratio

- Integration into the flight booking process is key
- Merchandising (market offers into booking path)
- Cross selling between ancillary services

### 2 – Loyalty on ancillary sales

- Consolidate loyalty initiatives for flight + ancillary services to retain customers of ancillaries on your website.

## **MARGIN : increase commission/margin**

### 1 – Count on volume

- Group buy your ancillaries to immediately get good purchasing conditions.
- Negotiate with supplier once you have reached interesting volume.

### 2 – Test Price elasticity

- Modulate the price of the ancillary services
- Implement supplement on ancillaries (CC...)

## **Limit the investments**

### 1 – IMPLEMENT

- Integration of one ancillary service into the booking path is a project which requires IT resources.
- Intergation with several partners becomes even more complex, time consuming and costly.

### 2 – RUN

- All the administration tasks that you may have to support represent hidden costs (call center, invoice reconciliation...).
- Additionnal transactions lead to higher fees.

## Airsavings, a unique combination

- Dynamic Packaging technology
- Volume purchasing
- Business Intelligence tools
- Cross-selling and Merchandising expertise

For the Ancillary services, Airsavings brings :

**OFFER + VOLUME + MARGIN with no investment**

## **Airsavings offers the solution for airlines**

“AirlinePlus”, dynamic packaging platform for :

- Hotel booking
- Travel insurance
- Car rentals
- Airport Lounge booking
- Online Gaming/lottery
- SMS Itinerary
- Carbon Offset

## **Airsavings specific advantages**

- 1 – Recommandation engine in “AirlinePlus”
  - To advise the customer (indication of the percentage of customers who chose this product).
  - To ease the purchasing decision and booking process.
- 2 – Real Cross-Selling on ancillaries
  - Optimization of all ancillary services display so that the customer has the opportunity to buy a service several times in the flight booking process.

## **AirlinePlus compatibility with IBEs**

NAVITAIRE

**SITA**



**Lufthansa Systems**

Under discussion :

**RADIXX**  
INTERNATIONAL

## Airsavings customers





## CONTACT US

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