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Global Airline industry missing out on additional \$12bn revenue

Industry insight shows that airlines can generate at least an extra \$6 per passenger through ancillary revenue programmes

The global airline industry has the potential to generate additional ancillary revenue activity, a study has shown. Insight by Collinson Latitude™, the leading global provider of ancillary revenue programmes, has revealed that airlines can make at least an extra \$6 per passenger by offering services above and beyond ticket sales. The study was based on airline industry figures from IATA which showed that there was a total market of 2 billion passengers worldwide in 2008.*

The ancillary revenue model has become an important financial component for the airline industry with leading budget carriers Ryanair** and EasyJet** documenting that approximately an additional \$12 per passenger was made through ancillary revenues in 2007.

Ancillary revenue programmes also deliver further benefits for airlines in providing opportunities to implement loyalty building initiatives that deliver detailed customer insight, further strengthening the brand's long-term relationship with the customer.

In recognition of the growing importance of the ancillary revenue business model, The Collinson Group, owners of insurance brand Columbus Direct and Priority Pass™, the world's largest independent airport lounge access programme, has launched specialist division Collinson Latitude™. The Collinson Group has spent the last 18 months developing the technology and products behind Collinson Latitude's new offering, using extensive research into current consumer needs and market trends to inform the content of its new products and services.

Programmes have been developed recognising that ancillary revenue should not be exploited at the expense of eroding the value of an existing frequent flyer programme and elite customer tiers. To this extent products have been developed with input from leading airline experts.

Collinson Latitude™ will advise global brands on selecting and implementing the right activity for their customer base and business requirement.

Janet Titterton, Sales & Marketing Director, Collinson Latitude™ said: "Collinson Latitude™ will be working closely with global brands to advise how our unique ancillary revenue programmes can not only extend their revenue reach but be used to build long-term customer loyalty. All of our programmes can be introduced with minimal IT and resource impact, making the whole process very easy for brands to put into practice. We have invested heavily in R&D to deliver product innovation and we are confident that our products have been developed, tested and in many cases implemented to the highest standards. The Collinson Group has been implementing successful incremental revenue strategies for its own brands for many years so we fully understand the challenges faced by brands in the airline sector."

Ends

Notes to Editors:

* **Worldwide passenger traffic** – IATA 2007 figure reported = 2,079,679,730

** **Ryanair** ancillary revenue figure

Financial report 2008

<http://www.ryanair.com/site/EN/about.php?page=Invest&sec=download&ref=2008>

*** **Easyjet** ancillary revenue figure

2008 Annual Report and Accounts

<http://2008annualreport.easyjet.com/?id=23538>

About Collinson Latitude™

Collinson Latitude™ is a leading global provider of new and recurring revenue programmes in the airline, hotel, travel and financial services sectors.

Using its range of innovative online products, Collinson Latitude™ advises organisations how to maximise the effectiveness of their sales and loyalty activities. Latitude's range of products are designed to strengthen relationships with higher net worth customers and broadens appeal to a wider audience. This enables clients to achieve new recurring revenue streams, enhanced customer insight and a superior customer experience, with minimal IT & resource impact.

Collinson Latitude™ is a division of The Collinson Group, a global leader for 20 years in a diversity of specialist markets including travel membership, insurance, and marketing. The Collinson Group owns the leading independent insurance brand *Columbus Direct* and *Priority Pass™*, the world's largest independent airport lounge access programme. As part of this group, Collinson Latitude™ delivers results for brands based on the experience of implementing successful renewable subscription revenue programmes for their own products for the past twenty years. The unique combination of expertise in partnership marketing, digital best practice, and software development positions Latitude as a forward thinking partner for generating sustainable income streams.

www.collinsonlatitude.com