

## THE ANCILLARY REVENUE REVOLUTION

*Low Cost Pioneers Airsavings and Atlas-Blue, Set New Stage in Revenue Creation for Airlines*

**PARIS, FRANCE – March 19, 2009-** [Airsavings](#), in partnership with Low-cost carrier Atlas-Blue, has launched a new program in Europe called **Privilege Outlet** that will transform the way in which low-cost airlines develop ancillary revenue streams.

Rather than focusing on “unbundling” or attaching new fees to existing services, Paris-based Airsavings has created a unique platform for carriers to support sustained growth and revenues, while creating a highly-desirable service for travelers, that is *not* based on charging more fees.

“In this current climate, the last thing travelers want to see are more charges, yet carriers must keep finding ways to recoup lost margins from last year’s oils prices, and of course, contribute to ongoing revenue development. The answer is not to burden customers with higher fares, but to provide innovative services that attract higher margins and provide added value to passengers,” says Raphael Bejar, Airsavings’ CEO and chief architect of the revenue program. “Airlines need to look beyond the *big 3*, that is car-hire, hotels and insurance, and offer something that’s truly unique to create a memorable and *repeatable* experience.”

The new Privilege Outlet platform turns airlines’ most underutilized asset – frequent flier programs – into a powerful ancillary revenue opportunity, by providing exclusive and limited-release retail opportunities to passengers. The idea behind Privilege Outlet comes from one of the fastest-growing retail trends in Europe – private “spot” sales. By combining the desirability of limited-release offerings with an airline’s loyalty program, Airsavings’ **Privilege Outlet** has made frequent flier programs relevant and profitable again.

“It’s an extremely efficient way for customers to use their points or miles, and allows partner airlines like Atlas-Blue to leverage existing loyalty initiatives while exposing their brand to new members and customers, and importantly, developing an ancillary revenue stream in the process. In this way,” says Bejar, “we are giving airlines the ability to provide real, tangible value to their customer base, while revitalizing much-needed revenues.”

With so much focus on returns and revenue generation in the current travel market, Privilege Outlet has already proven that it can create substantial revenues. In several tests carried out during February and March 2009, more than 300,000 limited-time only invitations were sent to Atlas-Blue passengers who had expressed interest in receiving special offers from the carrier. The initial response generated nearly 45% more income than the airline’s ancillary revenue staple - *travel insurance* - would have generated from the same number of passengers purchasing directly on the airline’s website.

Airsavings estimates that airlines can earn up to 4 times more with this program, than from traditional revenue earners such as car-hire, hotels or travel insurance. During this unstable climate with weakened demand, consumer dissatisfaction and rising prices, this is a major accomplishment for any carrier.

Both Atlas-Blue and Airsavings are very pleased with the program’s revenue-generating results so far. “For Atlas-Blue, it’s the best option for simultaneously increasing passenger perception of our brand and for creating a means to generate revenues beyond our core offering. And for our customers, it encourages a renewed enthusiasm for interaction with our brand, and a new way to obtain true value from their loyalty to our airline,” said Mr Laaroussi, Chief Commercial Officer at Atlas-Blue.

Privilege Outlet is currently being tested by a number of European carriers, being seen as a “shot in the arm” for their frequent flier program to effectively reduce the volume of unused loyalty credits while simultaneously increasing ancillary sales and revenues.





At a time when loyalty, value and profits can mean the difference between airline success and failure, Privilege Outlet is quickly proving it can deliver on all three, and is a huge step forward in providing much needed value and bolstering brand loyalty in a market defined by price and marred by crisis.

For more information about Airsavings' Privilege Outlet platform, please visit [www.airsavings.net](http://www.airsavings.net), or contact Vanessa Horwell at [vanessa@thinkinkpr.com](mailto:vanessa@thinkinkpr.com) or +1.305.776.8817.

**About Airsavings**

*Created in 2001 by airline industry professionals to serve the growing needs of mid-sized airlines in cost reduction and ancillary revenue generation, Airsavings is a group buying service focusing on fast growing airlines. By combining the purchasing volume of participating airlines, Airsavings was the first to apply to the airline industry a successful concept already in use in the auto, chemical and hospitality industries. Airsavings group buying expertise, combined with the knowledge of airline internet booking engines, has uniquely positioned Airsavings in the area of ancillary revenues - now a vital lifeline for airlines. Airsavings proprietary industry platform called AirlinePlus, enables carriers to deliver a multitude of ancillary services found most useful and with the greatest potential for mass adoption and profitability. For more information, please visit [www.airsavings.net](http://www.airsavings.net).*

