

New Collinson Latitude Survey Shows The Future For Travel Industry Ancillary Revenues

Submitted by: 80:20 Communications Limited

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Respondents predict non-travel related product sales will be pivotal

London, November 28, 2011: A new survey from Collinson Latitude (<http://www.collinsonlatitude.com/>), a global provider of incremental revenue and membership products, reveals many travel industry businesses anticipate a change in ancillary revenue strategies next year, with more emphasis on up-selling and cross-selling.

Nearly half of respondents (49%) believe cross-selling and up-selling through the booking process will be the fastest-growing area of ancillary revenues for travel businesses in 2012. Furthermore, 30% of respondents predict that non-travel related product sales will play a pivotal role in the future of ancillary revenues.

Collinson Latitude director Janet Titterton says: "We surveyed loyalty and ancillary revenue managers, particularly across the airline industry, and the results encouragingly prove the industry is seeking to maximise the benefits of customer data insight. With travel companies holding so much knowledge about their customers, cross-selling and up-selling strategies can be tailored to match benefits and promotions to customers' wider profiles. This targeting can increase the attractiveness, perceived value and ultimate success of ancillary revenue programmes."

At the same time, however, the survey indicates conventional travel-related offers will remain important in ancillary revenue programmes. Among respondents, 19% predict greater cross-selling and up-selling of travel-related products through the booking process, while 21% predict an increase in on-board ancillary revenues for airlines.

Titterton continues: "Traditional travel-related ancillary revenues will clearly remain important. For example, 22% of survey respondents currently implement ancillary revenues by unbundling previously packaged products and services. However, this process needs to be handled carefully: although ancillary revenues can bring costs down for customers – as unwanted services are no longer paid for – the perception is often very different. As services previously viewed as 'free' become billed separately, the travel industry needs to demonstrate to customers that such services really do provide choice and value for money."

The results of the survey will be revealed at 'Mega Event 2011' (<http://www.collinsonlatitude.com/EventDetail.aspx?id=96eea334-9dcd-4699-8e94-49c469b7ac59>) (November 29-30) in Miami. Collinson Latitude will be sponsoring and exhibiting at the event alongside sister company ICLP.

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Notes to Editors:

Collinson Latitude (www.collinsonlatitude.com) is a global provider of innovative revenue products. The company's extensive portfolio of loyalty, membership and promotional products is designed to generate and sustain active, loyal and profitable customers for companies ranging from the travel, aviation and hotel industries through to financial services, telecommunications, publishing and utilities. Collinson Latitude's products can be deployed rapidly and configured to individual requirements, drawing on the company's proprietary technology and extensive global partner network. Collinson Latitude is part of The Collinson Group, which has over 25 years' experience in memberships, loyalty and marketing.