

## Southwest Airlines 'Freedom From Fees' Policy Helps Boost Its Share of Online Tickets Sold Directly by Major Airlines

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Less Than Forty Percent of Consumers Say They Are In Favor of 'A La Carte' Pricing Structure - Majority of Consumers Deem Additional Travel Fees Unacceptable, According to comScore Study

comScore, Inc. (NASDAQ:SCOR), a leader in measuring the digital world, today released the results of a study of online ticket sales at the U.S. sites of leading airlines as well as consumer attitudes toward airline fees.

The study found that Southwest sells nearly 2.5 times the dollar volume of online tickets at its site as its nearest competitor. From the second quarter of 2007 through the same period in 2008, Southwest Airlines has expanded its leading share of online ticket sales made directly at airline sites by 4.8 points, according to comScore's passively-observed online behavioral data.

While Southwest has long positioned itself as an economically priced airline, part of its growth in share coincides with the imposition of additional fees for services such as checking luggage and in-flight beverages charged by the majority of the competing suppliers. Meanwhile, Southwest Airlines has launched a marketing campaign promoting its "Freedom from Fees" policy.

Dollar Share of Online Ticket Sales at Top Airline Sites\*  
Q2 2007 vs. Q2 2008

Total U.S. -- Home/Work/University Locations

Source: comScore Marketing Solutions

Supplier Sites	Q2 2007	Q2 2008	Point Change
American Airlines	12.8%	10.7%	-2.1
AirTran	4.9%	4.9%	0.0
Continental Airlines	11.5%	12.3%	0.8
Delta Airlines	14.2%	13.3%	-0.9
JetBlue	5.9%	7.1%	1.2
Northwest Airlines	6.8%	4.3%	-2.5
Southwest Airlines	28.1%	32.8%	4.8
United Airlines	7.5%	5.3%	-2.2
US Airways	8.3%	9.1%	0.9
Total	100.0%	100.0%	0.0

\*Does not include ticket sales made at online travel agency sites (e.g. Expedia or Orbitz)

"Charging additional fees for checked bags, meals, blankets and other services previously included in the cost of a ticket has received significant media attention and has been widely unpopular among consumers who, in today's economy, have become increasingly price sensitive," said Kevin Levitt, comScore vice president. "Southwest Airlines appears to have successfully differentiated itself through its marketing position of 'no hidden fees,' effectively bolstering its online ticket sales and increasing its market share."

### American Airlines Flyers Most Receptive to 'A La Carte' Pricing

While most airlines have implemented additional fee policies for select services, some are also considering an 'a la carte' pricing structure, charging a low base fare with additional costs for all other services. American Airlines, for example, is reportedly planning to move to this pricing structure next year.

A recent comScore survey of more than 1,000 airline consumers found that consumer sentiment toward the 'a la carte' pricing structure is evenly divided, with 39 percent of respondents in favor of this structure, 37 percent opposed, and 14 percent unsure or undecided. Interestingly, respondents who said they prefer to fly American Airlines were the most receptive to 'a la carte' pricing, with 57 percent indicating they were in favor of the policy and only 32 percent indicating their opposition to it. Those who prefer to fly Continental Airlines and Delta Airlines were less receptive to the policy, with less than half of respondents indicating they were in favor of it.

Question: Are you in favor of 'a la carte' pricing?

Date: August 2008

Source: comScore Marketing Solutions

Response	Total Respondents (N=1082)	Respondents' Preferred* Airlines				
		American Airlines (N=134)	Continental Airlines (N=93)	Delta Airlines (N=126)	Southwest Airlines (N=198)	United Airlines (N=92)
Yes	38.5	56.5	48.6	48.6	50.1	53.8
No	37.3	31.6	37.8	40.1	35.3	29.7
Not sure/Undecided	14.2	11.9	13.5	11.3	14.6	16.4

\*Airline preference determined by response to the question: "Which one airline do you prefer to fly most frequently?"

## As Prices Rise and Fees Mount So Does Consumer Dissatisfaction

Given the current state of the economy and the rising cost of fuel, many consumers understand the challenges faced by top airlines but disagree that the cost burden should fall on them. The comScore survey found that 80 percent of respondents believe the rising cost of fuel is the reason for increases in airfares, but less than 40 percent feel that current pricing is fair. An even greater percentage of consumers oppose the additional fees policies, with only 7 percent of respondents saying they deem fees imposed after purchasing a ticket to be acceptable.

Question: How much do you agree or disagree with the statement, "The additional fees imposed after purchasing an airline ticket are acceptable."

Date: August 2008

Source: comScore Airline Travel Survey

Response	Percent of Total Respondents (N=1082)
Strongly agree	2.6
Agree	4.6
Agree somewhat	14.6
Disagree somewhat	23.7
Disagree	25.4
Strongly disagree	29.1

The survey also asked consumers about their willingness to pay additional fees for a range of services and amenities. Consumers indicated they were least likely to pay for a pillow or blanket (82 percent said they are somewhat unlikely or not at all likely to pay for the amenity), the ability to book by phone (80 percent), a window seat (79 percent) or an aisle seat (77 percent). They said they were most likely to pay for oversized bags (24 percent said they were somewhat or extremely likely to pay), Internet access (20 percent), or a second checked bag (18 percent).

Question: If airlines had additional fees for each of the following services, how likely would you be to pay the additional fee for each service?

Date: August 2008

Source: comScore Airline Travel Survey

Services	% of Total Respondents (N=1082)	
	Extremely Likely or Somewhat Likely	Not At All Likely or Somewhat Unlikely
Oversized Bags	24.2	53.3
Internet Access	20.2	65.1
Second Checked Bag	18.4	60.6
More Leg Room	16.9	65.6
Changing Flights	16.7	63.8
Curb Side Check-In	14.7	71.8
First Checked Bag	13.9	73.1
Non-alcoholic Drinks	11.9	75.4
Window Seat	8.9	79.3
Aisle Seat	8.4	77.3
Booking by Phone	8.3	79.9
Pillow or Blanket	8.3	81.5

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