

Ketchum



**Working with media in
an era of shrinking
newsrooms to tell your
place story**

June 6, 2018



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Southwest: Fee revenue tops \$600 million

Dawn Gilbertson
USA TODAY

Southwest Airlines brags nonstop about its bag-free policy and lack of ticket change fees, policies that drive passengers to the airline in droves. What the airline doesn't trumpet: It's doing just fine on the fee front thanks to other passenger charges, most notably priority boarding fees.

The tally for 2018 is in, and Southwest collected \$642 million in passenger fees last year, the airline disclosed in a regulatory filing this week. That's up 13 percent from \$566 million in 2017.

Airlines have long had to disclose baggage fee and ticket change revenue to the U.S. Department of Transportation, but accounting rules now require them to also provide a total figure for passenger fees in regulatory filings instead of lumping them into a broader category called "other" revenue. Southwest is the first to report annual figures, in its 10-K filing with the Securities and Exchange Commission this week.

The so-called passenger ancillary revenue category includes a range of fees such as in-flight Wi-Fi and alcoholic beverages, pet fees, unaccompanied minor fees and baggage fees of all sorts, but the the biggest

source of fee revenue for Southwest is its 10-year-old EarlyBird Check-In option.

For \$15, \$20 or \$25 one way per person depending on the route, passengers who buy EarlyBird get a higher position in Southwest's boarding order. Boarding order is critical on Southwest because the airline famously doesn't assign seats. Passes are free to pick any open seat when they board.

Southwest didn't break out the total for EarlyBird check-in fees in 2018, but it did in 2017 and that year the fees totaled \$358 million, or 63 percent of the total passenger fee revenue.

Southwest President Tom Nealon said in January that EarlyBird revenue and another priority boarding option called Upgraded Boarding each grew by double-digit percentages in 2018. Using a conservative 10 percent year-over-year gain, that puts EarlyBird revenue approaching \$400 million for 2018.

Southwest used to charge a flat \$15 fee each way for EarlyBird Check-In, but switched to variable pricing in August. (The fee started at a flat \$10 in 2009.)

"We're making this change so we can continue offering a product our customers love," Southwest said in a statement at the time. "Of course, an increase in the price of a product is rarely welcome news, but as

EarlyBird increases in popularity, we want to make the value it offers our customers."

A USA TODAY spot check of flights for EarlyBird from many routes went up.

Southwest's EarlyBird fee in 2018. That option, which guarantees a spot at the front of the line, is available for \$15, \$20 or \$25 each way at the time of booking. Upgraded

Boarding, which provides a similar benefit, is available for \$15, \$20 or \$25 each way at the time of booking. Upgraded

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The Long, Sad Collapse of USA Today Travel

Andrew Shevachman, Skift - Feb 11, 2019 12:30 am

Get in the groove for music's biggest night
Everything you need to know for Sunday's Grammy Awards

USA Snapshots
Fall Off the Wagon Day
Feb. 9

A blight in the fields As farms hurt for labor, households could feel the pain



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We're Reimagining Our
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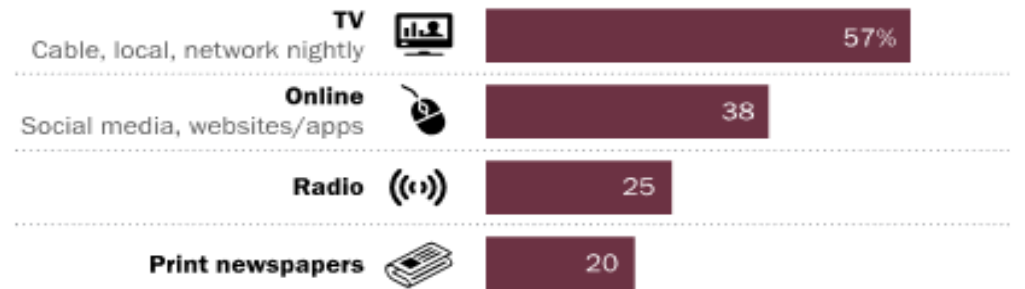
Our new Travel editor, Amy Virshup, says she will be rebooting our travel journalism for the digital age. Send her your suggestions or ask a question here.

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Digital Disruption

About four-in-ten Americans often get news online

% of U.S. adults who often get news on each platform



% of each age group who often get news on each platform

	18-29	30-49	50-64	65+
TV	27%	45%	72%	85%
Online	50	49	29	20
Radio	14	27	29	24
Print newspapers	5	10	23	48

Note: Just 1% said they never got news on any platform (not shown).

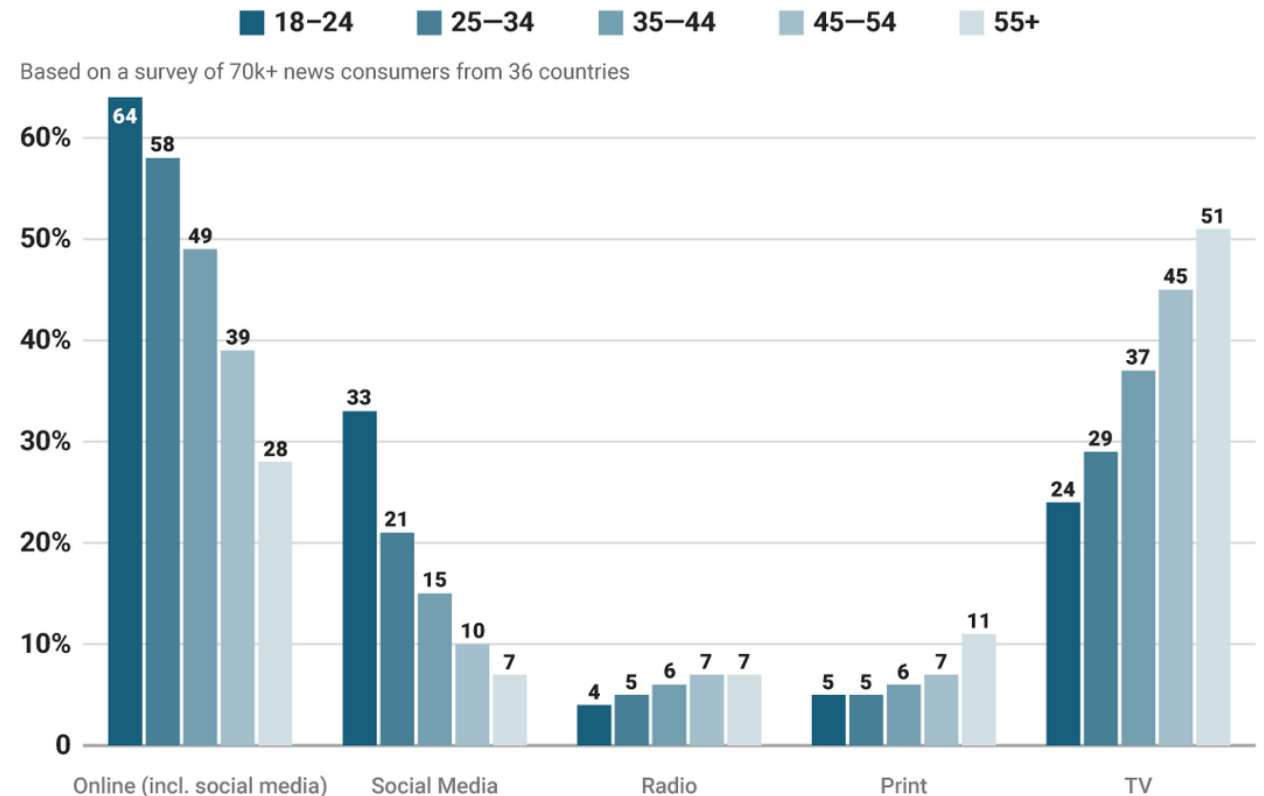
Source: Survey conducted Jan. 12-Feb. 8, 2016.

"The Modern News Consumer"

PEW RESEARCH CENTER

TECH CHART OF THE DAY

MAIN SOURCE OF NEWS BY AGE GROUP IN Q1 2017



SOURCE: Reuters Institute for the Study of Journalism

statista | BUSINESS INSIDER

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Influencers Driving Inspiration

TRAVEL AGENT CENTRAL

DESTINATIONS HOTELS CRUISES TRANSPORTATION TOURS PEOPLE RUNNING YOUR BUSINESS

Travel Industry Exchange

The Next Revolution in Travel Education, Sept. 18-20, 2019 | Crowne Plaza French Quarter | New Orleans, LA

Running Your Business

Stats: U.S., Italy Lead World in Instagram Travel Influencers

by Adam Leposa | May 23, 2019 9:45am



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Communications Industry Booming

Bloomberg the Company & Its Products | Bloomberg Anywhere Remote Login | Bloomberg Terminal Demo Request

Bloomberg

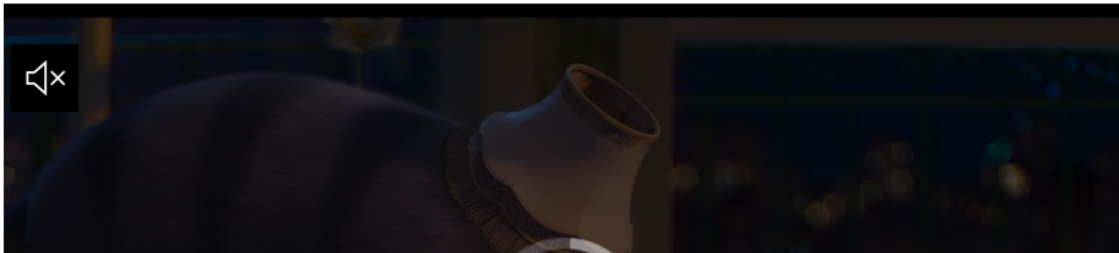
Economics

Public Relations Jobs Boom as Buffett Sees Newspapers Dying

By [Alexandre Tanzi](#) and [Shelly Hagan](#)

April 27, 2019, 9:00 AM EDT

- ▶ For every reporter there are six PR workers, Census reports
- ▶ Number of PR specialists to keep rising, Labor Department says



Most Read

BUSINESS

Trump to Impose Tariff of Up to 25% on Mexico Over Migrant Surge

updated an hour ago

MARKETS

China Puts U.S. Soy Buying on Hold as Tariff War Escalates

BUSINESS

Long Before Boeing 737 Max Crash,



Mary Childs ✓

@mdc



btw 9-10a i had calls w 3 PR people + emailed w 3 more. im not special; this is normal. i am so tired. more + more formerly silent orgs (koch, mckinsey) are starting to "control their narrative" ie hire PRs. that ratio—that there are 4 PRs to 1 journalist — is going to get worse.

♡ 68 10:45 AM - Apr 10, 2019



[See Mary Childs's other Tweets](#)



Michelle Ruiz ✓

@michelleruiz



Sporadic PR rant: Don't reach out and ask what I'm working on/what's top of mind for me right now. That's popping up in my inbox and asking me to do work, when you are the one who is technically supposed to be pitching me. Look up what I write, and tailor a pitch. Love you bye.

♡ 72 11:35 AM - Apr 17, 2019



75% of journalists say fewer than a quarter of the pitches they receive are relevant or useful.

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Our Panelists

- Laura Guimond, Senior PR Manager International, Travel Portland
- Elisabeth Wieselthaler-Toelly, VP Global PR & Media Relations, San Francisco Travel
- Emily Kaufman, The Travel Mom (contributor to Steve Harvey Show, Harry Connick Jr, The Today Show and Good Morning America, and major market broadcast)
- Jenny Peters, freelance journalist (USA Today, National Geographic Traveler, New York Lifestyles Magazine, TripSavvy.com and Google's TouringBird.com)

Discussion

- We're PR folks and journalists — on opposite ends with the ability to be great partners. How can we better work together?
- How do you think Travel journalism is adapting to the digital age? An age of clickbait headlines and digital content being measured on engagement.
- With consumers getting recommendations from social media (FB and Instagram) and heading to TripAdvisor for reviews, what opportunity does Travel journalism have to stay relevant?
- What are some best practices and advice you want to share?
- Influencers are a strong marketing medium, how do you feel they're shaping Travel journalism?
- In a world where all digital is global, how do you balance a global perspective in your media outreach and coverage?