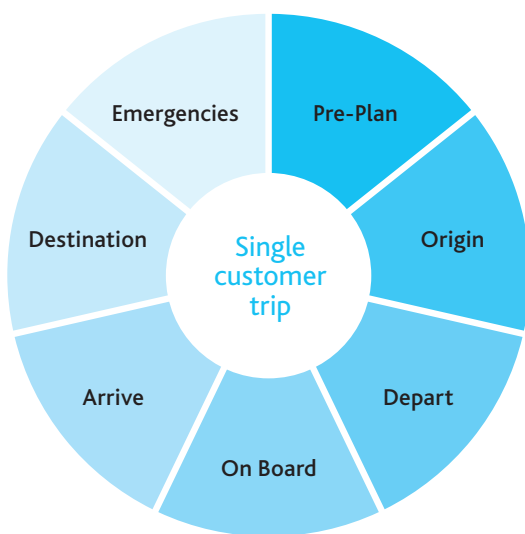


## ar<sup>2</sup> – The Unlimited Potential of Ancillary Revenue

Ancillary revenue has evolved from an operational necessity to limit customer baggage 30 years ago to a recognised major commercial opportunity covering a wide range of products and services today. We have seen trends such as unbundling back to re-bundling. Collinson Latitude has been working with travel brands to optimise these opportunities, and we want to encourage the travel industry to challenge traditional thinking. ar<sup>2</sup> is how we define the next generation in ancillary revenue. Read more about our approach below.

### 1. A Single Customer Trip

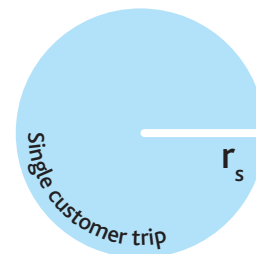
The diagram below represents a typical visualisation of a single customer journey.



### 2. ar<sup>1</sup> – A Traditional Approach to Ancillary Revenue

Frequently, the revenue expectation from your customers is based on a single trip and associated touchpoints, expressed here as  $r_s$ .

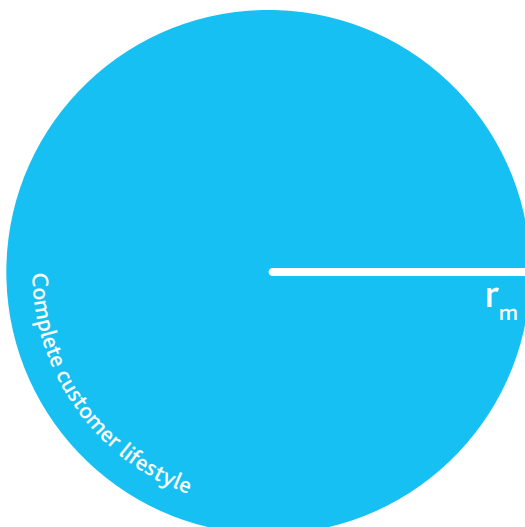
$$\text{Revenue (area)} = \pi r_s^2$$



### 3. ar<sup>2</sup> – Next Generation Ancillary Revenue

Now imagine the greater revenue potential if we could expand this to a wider customer proposition, such as added value memberships with multiple touchpoints and longevity, expressed here as  $r_m$ .

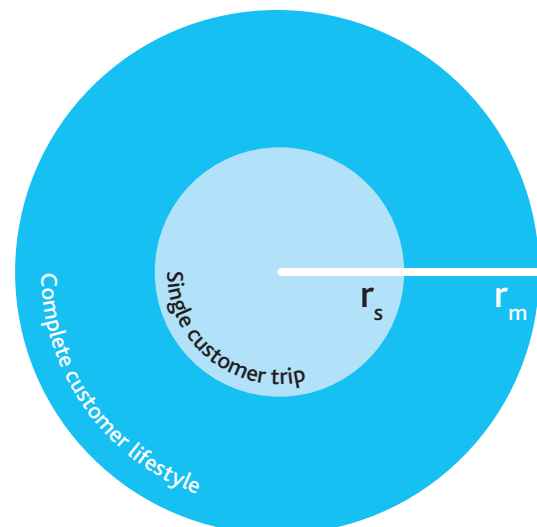
$$\text{Revenue (area)} = \pi r_m^2$$



### 4. The Incremental Ancillary Revenue Is Significant

The opportunity is to achieve a greater share of total wallet (for travel and lifestyle) and realise new streams of ancillary revenue, where the potential revenue is represented by the dark blue circle.

$$\text{Revenue Increase (area)} = \pi (r_m^2 - r_s^2)$$



## 5. ar<sup>2</sup> - The Unlimited Potential Of Ancillary Revenue

Through ar<sup>2</sup>, the Collinson Latitude team will present your business with the real-world, online solutions you need to help achieve the fundamental goals of ancillary revenue.

A better ancillary revenue strategy does not necessarily mean a radical overhaul of a business plan; the first step could simply be better analysis and exploitation of the customer data you already hold, leading to more actionable data driven insight to bring:

- Relevance to your consumers through tailored products and services
- Propositions that bring value to your customers, and
- An optimised customer experience at every possible touchpoint

Learn more about ar<sup>2</sup> at [www.ancillaryrevenuesquared.com](http://www.ancillaryrevenuesquared.com)

## Collinson Latitude – Creating profitable customers for life

Collinson Latitude ([www.collinsonlatitude.com](http://www.collinsonlatitude.com)) is a leading global provider of multi-channel products to help companies maximise their ancillary and incremental revenues. The unique Collinson Latitude portfolio 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 20 years' experience in memberships, loyalty and marketing.

## Contact Us

### London Office

17 Devonshire Square  
London  
EC2M 4SQ  
T: +44 (0)20 7422 1864  
E: [info@collinsonlatitude.com](mailto:info@collinsonlatitude.com)

### Singapore Office

152 Beach Road  
#23-02/04, Gateway East  
Singapore 189721  
T: +65 (0)6416 6355  
E: [tracy.webb@collinsonlatitude.com](mailto:tracy.webb@collinsonlatitude.com)

### Zurich Office

Giessereistrasse 5  
CH-8005 Zurich  
Switzerland  
T: +41 (0) 44 5333 3030  
E: [laura.gardiner@iclp.ch](mailto:laura.gardiner@iclp.ch)

### Dubai Office

Business Central Towers - A  
Dubai Media City  
PO Box 30555, UAE  
T: +971 (0)4 4364 897  
E: [george.wilson-howell@collinsonlatitude.com](mailto:george.wilson-howell@collinsonlatitude.com)

### US Office

111 Maiden Lane, Suite 600  
San Francisco,  
CA 94108, USA  
T: +1 (0) 415 651 4994  
E: [Mark.dority@collinsonlatitude.com](mailto:Mark.dority@collinsonlatitude.com)