

How Passengers of Low Cost Carriers Feel the Pressure: Pricing Tactics and Other Stories

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Abstract

Low cost carriers (LCCs) market their flights as low cost and aim to garner as much additional revenue as possible from ancillary services such as baggage and priority boarding. Therefore, airlines encourage customers' purchase of these services. On account of this and other airline practices, the European Union introduced legislation to address areas of concern to protect consumers. Airlines' response to the requirement for clarity in pricing at the outset and throughout the transaction is questionable. They have responded to the legal requirement that all optional extras should only be presented to the consumer on an 'opt-in' basis by using 'grey' Web design patterns such as the 'must-opt'. Using verbal protocols, this study examines consumers' perceptions of two LCCs' level of compliance with the relevant European legislation.

Keywords: EU Regulation, Consumer Protection, Low Cost Carriers, Must-opt, Web Design Practices.

1. Introduction

It is reasonable to expect Web technologies to be employed in a manner that enhances the user experience, allowing them to engage in a satisfying and productive interaction. Yet, all is not well with this expectation. Some low cost carriers (LCCs) have adopted a 'drip-pricing' approach, whereby customers are lured in with an initial low fare. As customers progress they are presented with a series of optional extras, which if selected, increase the initial low fare. To encourage further the purchase of optional ancillary services, some low cost carriers (LCCs) are using a new approach of forced choice, referred to in this paper as a '*must-opt*' selection. Although this approach is clever in persuading consumers to avail of ancillary services, it appears to contravene European legislation that governs airline ticket sales and is designed to protect consumers from unfair practices. The LCC model, consumer protection regulation, and the 'grey' Web practices of the '*must-opt*' are outlined before exploring users' perceptions of two LCCs' compliance with the relevant European legislation.

2. LCCs' Influence and Ancillary Revenues

The LCC model offers "no-frills passenger service within a point-to-point network of short and medium-haul routes that serve secondary airports, using a highly productive homogenous fleet" [6, p. 37]. The model is designed to have a competitive cost advantage over full service carriers

(FSCs) by reducing unit costs while simultaneously increasing output and productivity [2]. An LCC entering a market results in a significant decrease in fares, a notable increase in passenger volumes and an expansion of the catchment area [2], [18]. Consequently, the LCCs' impact on the airline industry has been profound, altering the industry structure and shifting the basis for competition, efficiency and consumers' expectations [11, 12], [21], [23].

LCCs have garnered higher market shares on many domestic and intra-European routes [10]. To compete effectively, some European FSCs have created low-cost subsidiaries (e.g., KLM's Transavia and Lufthansa's Eurowings). Even those FSCs without low-cost subsidiaries have adopted certain LCC management practices, such as increasing plane and crew utilisation, eliminating business class, and introducing paid ancillaries.

Baggage fees were previously the largest single source of ancillary revenue [13]. Now, various ancillary services (e.g., priority boarding, meals, and seat selection), co-branded credit cards, and third party vendor commissions (i.e., insurance, car and hotel bookings) contribute significantly to airline profitability. It is also spreading: "Once largely limited to low fare airlines, ancillary revenue is now a priority for many airlines worldwide" [25, p. 1]. Unbundling services boosts profit margins, whereby, "the most aggressive airlines generate more than 20% of their revenue" through the sale of ancillary services [25, p. 5]. In 2015, ancillary revenues accounted for 25% of Ryanair's total revenue [22] and 13% of Aer Lingus's total revenue [1]. Global ancillary revenue in the airline industry has more than doubled from \$22.6 billion in 2010 to \$59.2 billion in 2015 [24], [27]. "Not surprisingly, airline-inspired abuses crept into the ever evolving world of ancillary revenue. Some airlines sneaked small items into the purchase path through opt out methods or hid fees related to payment by credit cards from consumers" [26, p. 9].

3. Research Rationale

In previous research [3], the authors discovered significant user concerns about the design of some transactional Business-to-Consumer (B2C) websites in the LCC sector. They reported that transactional processes were riddled with irregular and opaque design features, lacked price clarity and insistently, and sometimes deviously, presented optional extras. Many users concluded that more regulation of the industry was needed. This conclusion was the key motivation for this study. The EUs response to introduce regulations to protect consumer interests has not been tested for its effectiveness in achieving its purpose. Thus, the main research objective (RO) is to identify user perceptions on whether LCC airlines comply with EU regulations in respect to price transparency and fair B2C commercial practices.

4. Opt-in, Opt-out or Must-opt

The LCCs' adoption of technology in areas such as electronic ticketing and dynamic pricing has become essential in offering consumers efficient flight options. Despite these advances, a number of LCCs use their information systems in a conflicting manner, especially when selling ancillary services. The Websites smoothly engage and facilitate customers through the self-service process to commit users to purchase tickets. However, once users move beyond the 'committal' point (i.e., after selecting where and when to travel and receiving an initial quote) and ancillary services are introduced, the Websites appear more opaque. Research on this phenomenon has found significant disquiet amongst users [29].

Ancillary services are normally offered as optional through some type of opt-in or opt-out mechanism. EU regulation 1008/2008 requires optional extras be accepted by the consumer on an opt-in basis only [8]. Yet, the legislation does not define what is meant by the term 'opt-in'. Definitions of optionality vary depending on the source. According to The Oxford English Dictionary [28], the term opt-in means, '*to choose to participate in something*' whereas opt-out means, '*to choose not to participate in something.*' According to Wiktionary [30], opt-in means '*to choose explicitly to join or permit something; a decision having the default option being exclusion or avoidance.*' Whereas opt-out means '*to choose explicitly to avoid or forbid*

something; a decision having the default option being inclusion or permission.’ However, airlines are using a new approach, referred to in this paper as a ‘*must-opt*’ selection. This format requires users to explicitly accept or reject the service before continuing with the interaction, since it has no default option.

Based on the Oxford dictionary definition, the airlines’ *must-opt* options are *both* opt-in and opt-out, as the user must choose explicitly whether to participate. Yet, based on the second part of the Wiktionary definition, the *must-opt* is neither opt-in nor opt-out, as the default option is to prevent the user continuing until they choose to accept or refuse the option. Hence, the airlines are following the Oxford English Dictionary’s definition of opt-in for their optional extras (i.e., the user must ‘choose to participate’ to receive the option), except they also conform to its definition of opt-out (i.e., the user must ‘choose not to participate’ to decline the option). Airlines would presumably argue, as they comply with the definition of opt-in, they comply with the legislation.

While little research examines the effect of opt-in vs. opt-out in retail sales, research in other fields demonstrate their impact on users’ decisions. Johnson and Goldstein’s study [15] concludes changing the default option for organ donation to opt-out increased organ donation. Madrian and Shea [16] find people are more likely to proceed with the default option, due to inertia and a belief the selected option is recommended. McKenzie et al. [17] concur with this finding, which suggests airline consumers are more likely to purchase ancillary services if they are presented as an opt-out. Consequently, airlines prefer to use opt-out as the default. As EU regulation prevents this approach, airlines needed another way to increase the likelihood of customers choosing an option.

The airlines looked to instances where the customer must choose an option before proceeding. This forced choice is generally associated with accepting terms and conditions (e.g., licence agreements for a software installation). Airlines have adapted this forced choice by presenting consumers with a *must-opt*, which typically looks like an opt-in. However, when the user attempts to move to the next webpage, they are informed they must go back and make a selection. The net effect is users cannot overlook this type of decision.

5. EU Regulation

The European Commission co-ordinated the airline ticket selling investigation under the auspices of Consumer Protection Co-operation Regulation, which came into force in 2006 [9]. The report identified unfair practices related to price indications, limited availability of special offers, and contract terms. The Commissioner directed airlines to give the total price, including taxes and booking/credit card fees, in the first advertised price on a Website. Other unfair practices include the mandatory purchase of insurance, or presenting optional services (e.g., insurance, priority boarding, seat selection) as opt-outs.

This report led to the Regulation of the European Parliament and of the Council on Common rules for the Operation of Air Services in the Community, Article 23(1) of Regulation 1008/2008 [8] to prevent airlines from pursuing these practices. This regulation, together with Articles 8-9 of the Unfair Commercial Practices Directive [7], governs airline price information and practices. The first of these, Article 23(1), applies only to Airlines operating in the EU, whereas the second, Articles 5-9, applies to all business to consumer transactions within the EU. These articles provide specific guidance on acceptable pricing and consumer protection practices in the airline sector and e-commerce generally.

The main research objective was to identify user perceptions on whether LCC airlines comply with EU regulations in respect of price transparency and fair B2C commercial practices. The provisions of the articles relevant to the main research objective are laid out in Table 1, along with the research gap and the articles from the regulations that form the basis for this study’s research questions. Research questions RQ1, RQ2 and RQ3 focus on the clarity of pricing are published herein, and research questions RQ4, RQ5 and RQ6 which focus on the clarity of optionality [4].

Table 1. Research Objective and Research Questions

Research Objective (RO): to identify user perceptions on whether LCC airlines comply with EU regulations in respect of price transparency and fair B2C commercial practices.		
Source	Provision	Research Question
Regulation 1008/2008 Article 23	'The final price to be paid shall at all times be indicated and shall include the applicable air fare or air rate as well as all applicable taxes, and charges, surcharges and fees which are unavoidable and foreseeable at the time of publication.'	RQ1: Does the first displayed price include all unavoidable and foreseeable charges? Justification: Since the final price, including charges must be visible at all times, the first price must also include this information.
Regulation 1008/2008 Article 23	'The final price to be paid shall at all times be indicated and shall include the applicable air fare or air rate as well as all applicable taxes, and charges, surcharges and fees ...'	RQ2: Is the total price clear at all times during the booking process?
Regulation 1008/2008 Article 23	'In addition to the indication of the final price, at least the following shall be specified: (a) air fare or air rate; (b) taxes; (c) airport charges; and (d) other charges, surcharges or fees, such as those related to security or fuel ...'	RQ3: Is a detailed breakdown of all price elements specified?
Regulation 1008/2008 Article 23	'Optional price supplements shall be communicated in a clear, transparent and unambiguous way at the start of any booking process.'	RQ4: Are all optional extras communicated in a clear, transparent and unambiguous way, at the start of the booking process?
Regulation 1008/2008 Article 23	'... their acceptance (optional prices) by the customer shall be on an 'opt-in' basis.'	RQ5: Are all optional extras presented as opt-ins?
Directive 2005/29/EC	Derived from Articles 8 on 'Aggressive commercial practices' and Article 9 on the 'Use of harassment, coercion and undue influence.'	RQ6: Do users feel harassed or coerced into choosing optional extras?

6. Methodology

Verbal protocols involve a typical user thinking out loud while carrying out representative tasks on a system [19]. Verbalisation helps the evaluator to understand the user's attitudes towards the system and to identify problematic aspects [14]. This technique's key strength is "to show what the users are doing and why they are doing it, while they are doing it, in order to avoid later rationalizations" [20, p. 196]. In this study, verbal protocols were used to determine users' opinions as to whether the airlines comply with EU legislation governing the sale of flights via the Internet. The test setting was a private room, so as to eliminate distractions and all participants used the same computer and monitor. Twenty typical users of LCC Websites participated in a series of verbal protocol evaluations. Participants were highly familiar with online purchasing, including airline tickets. They ranged between 20 and 40 years of age and they were evenly split between male and female. While carrying out the tasks, the participant was prompted to talk aloud and consider the Website's level of adherence to the legislation. Participants were briefed on the verbal protocol approach and encouraged to think of the session as a structured discussion where the LCC websites, rather than the participant, were being examined.

Each participant was shown a summary of the legislation and asked to define what they understood by the term opt-in. As the legislation requires consumers only accept optional extras on an opt-in basis [8], it was important to know participants' understanding of the term and remind participants of their definition, if necessary.

The participants sought and booked a flight for each airline. The order of the airlines was counterbalanced to ensure it would not bias the results. As the participants worked through the tasks, they were reminded of the legislations' requirements. When they encountered prices,

optional extras or difficulties, they were asked whether the airline complied with legislation and why the airline designed the website as they did. To ensure the prompts did not distort or invalidate the user's dialogue, the prompts were developed in advance and used at appropriate times [5]. The participants completed a short questionnaire after each protocol to collect opinions on each airline's legislative compliance.

7. Findings

RQ1: Does the first displayed price include all unavoidable and foreseeable charges?

RQ1: Ryanair

The first quoted price on Ryanair's website was highlighted in a banner for the first leg of the journey. For a return journey, the second leg was displayed further down the page. The prices did not include taxes, charges or other unavoidable costs. Below each banner, the flight cost was broken down in a box. When participants were asked whether the first quoted price included all unavoidable and foreseeable charges, the responses fell into three categories: 1) an instant positive response followed by caution: *'Yes, I'm hoping everything is included'*; 2) a qualified positive response: *'from Ryanair, I don't know. It looks like it'* and 3) an instant negative response because of a priori views about Ryanair: *'No. I'm sceptical of Ryanair'*.

Views differed on whether Ryanair complied with legislation that the first quoted price included all unavoidable and foreseeable charges. While the first price in the banner included no additional charges, the box below the banner displayed a price breakdown. Although some respondents needed the box's details pointed out to them, most were happy the total price included all unavoidable and foreseeable charges: *'Yes. It's showing me online check-in, taxes and charges, flight cost'*. Nonetheless, many were still sceptical: *'the first price – No, but the total price – Yes. Except, I've had experience of Ryanair before'*. Others believed the price did not include all unavoidable and foreseeable charges. Many participants believed the handling charge was unavoidable, even though MasterCard Prepaid did not invoke a charge. As one participant stated: *'the administration charge is technically avoidable. [Ryanair is] compliant but it's sneaky'*. Despite the cynicism, many participants thought Ryanair's price breakdown was clearer than Aer Lingus' price breakdown. Nine participants believed Ryanair was compliant, while eleven did not.

RQ1: Aer Lingus

Aer Lingus displayed prices in a similar way to Ryanair. The price for the date selected was presented in a banner with the detailed price displayed below. In contrast to Ryanair, the initial responses to Aer Lingus were more positive, falling into the following categories: 1) an instant positive response followed by a change of mind later in the process: *'Yes. I am going to trust them. From experience, I like them a bit more'* (when this user saw the handling charge added on at a later stage in the process, he said: *'If I hadn't read the footer I'd be surprised. It [the handling charge] is unavoidable.'*); 2) a qualified positive response where having to scroll to see a price inclusive of taxes and charges was considered acceptable: *'Yes, if it's on one screen', 'It would be better if it were all up on top since they know the charges'*; and 3) an instant negative response because of a priori views about Aer Lingus: *'The price should [contain all unavoidable charges]. As a regular user, I expect other foreseeable charges. A first time user might have different expectations'*.

As the process continued, no participants believed Aer Lingus was compliant. The handling fee was not added until the third 'total price' was displayed. However, a footnote stated a handling charge would be added, unless the flight originated in the USA or Canada or was paid by Visa Electron. This footnote was in small, light grey text and positioned below the continue button of each page. The text position and pale colour meant many participants did not see the statement: *'I don't think anyone will read the extra information at the bottom of the screen'* and were surprised when it was added at a later stage: *'Handling fee? I thought that was included. It's a surprise'*. Most participants believed the handling fee was unavoidable and should have been included in the initial price. However, some did believe it could be avoided, but were

unsure how. The footnote stated there was no handling charge if the customer paid by Visa Electron. This was not the case, as one participant stated: *'Visa Electron is not removing the handling charge'*. The only way to avoid the handling charge was by booking a flight that originated in the US or Canada. For flights originating in Ireland, the handling fee was unavoidable, but was not included until the third time the 'total price' was displayed.

The participants were more negatively disposed to Ryanair initially. However, when the booking process was complete, participants were more negatively disposed towards Aer Lingus because of the way it managed the handling charge. Many participants were surprised Ryanair was more compliant than Aer Lingus, particularly given their initial negative disposition towards Ryanair.

The participants believed Aer Lingus displayed the prices in a misleading way, as one participant stated: *'to make the price look more attractive than it is'*. Even though this approach resulted in annoyed customers when the 'total price' was revealed, participants believed Aer Lingus used this design deliberately to lure customers further into the booking process. As one participant stated: *'[it is part of] the psychology of presenting the lowest figure. You are committed to the process. They know you have wasted time and probably won't go elsewhere'*. Aer Lingus appears less concerned with customer satisfaction and more concerned with enticing the customer in; using, as one respondent put it: *'puffery and gimmicky'* on the presumption the customer would continue once they commit sufficient time to the booking process.

RQ2: Is the total price clear at all times during the booking process?

RQ2: Ryanair

This question was asked at several points during the interaction. The initial responses for Ryanair were positive. However, some participants were unhappy the total for each leg was displayed and the user then had to scroll down to see the full total. One participant stated *'[they] should put the total price first and then the outgoing and return [prices]'* while another just wanted to see a total price *'It bugs me – going out and coming back [presented] separately'*. Once this initial page is passed, Ryanair provide a running total at the side of the screen. This showed a total for each of the outgoing and return legs, followed by an overall total. While participants were generally satisfied with this easy-to-read approach, some would have preferred the overall total to be displayed before the individual totals as it was necessary to scroll down to read the overall total. In addition, some were sceptical that the price was, in fact, the total price. One participant, when asked whether the total price was clear replied: *'Yes, unless there's a hidden charge'* while another participant stated: *'Yes. Hopefully everything is included'*.

As the process continued, it became less clear; for example, the customer must first select the number of bags to see the associated cost. At the payment screen, it became 'fuzzy' because an administration charge is added once the customer selects a payment type other than MasterCard Prepaid, which was not obvious until it was pointed out to participants. This fee was unexpected to some of the participants, who expected any charges for payment method to be included as part of the total cost. One stated: *'No other shop varies the credit card charge. They discriminate against certain cards'*.

While many of the participants believed Ryanair were compliant with the requirement to ensure the total price is clear at all times during the booking process, some felt it was borderline compliant. One participant stated: *'[they are] not fully compliant. They are slightly'* while another believed they were *'[compliant] with the letter rather than the spirit of the law'*.

RQ2: Aer Lingus

There was a mixture of initial responses for Aer Lingus, with some participants initially believing it was compliant, but changing their mind once the handling fee was added. Others believed it was non-compliant from the beginning as it was necessary to scroll down to see the total price on the first screen. There was significant dissatisfaction with the way the handling fee was administered, with most participants not noticing the statement regarding the fee, which

was positioned low on the screen and in grey text. One participant stated the text was greyed *'so that you don't read it'*. Participants were confused when the handling fee was added as they could see the price changing but did not understand why. One participant stated *'I've no idea why this [change of price] happened'*, while another participant was unsure whether the statement meant it had already been included in the price or it would be added at a later stage. All participants believed the handling fee was part of the total cost and so, should have been included in the initial displayed price. Many of the participants believed it was done to deceive the user, with one participant stating: *'it's definitely deceptive'* and another stating it was unethical. Participants believed it was deliberately done this way in order to lure the customer into the booking process. One participant stated it was designed *'to keep the [headline] cost as low as possible so you go ahead and book it'*. Another believed the airline know *'you have wasted time and probably won't go elsewhere'*, thus resulting in a sale.

Another irritant was the booking process for two passengers; the price displayed was the total price per passenger until the third time it was presented, when it doubled and the handling charge was added. Most participants believed the original 'total price' was for two people and were shocked when the price doubled. At this point, none believed Aer Lingus complied with the requirement for the total price to be clear throughout the booking process. Most participants believed the price displayed was deliberately confusing to make customers feel committed and conclude the purchase.

There was further confusion regarding the price throughout the booking process. When adding insurance, one participant stated: *'it doesn't tell you the price. You have to add it up in your head'* while at the special assistance option, another participant said: *'I'm beginning to forget my fare'*, suggesting that the total price was not at all clear.

By the end of the booking process, none of the participants believed Aer Lingus was compliant with the requirement to ensure the total price is always clear during the booking process. Participants were generally confused and all believed it was a deliberate ploy on the part of Aer Lingus to entice the customer into the booking process with low headline fares. Participants were unhappy with the way in which this process was handled and believed that Aer Lingus should be more honest in their interactions.

RQ3: Is a detailed breakdown of all price elements specified?

This element of the legislation requires a breakdown of all price elements, specifying air fare, taxes, airport charges and any other charges, surcharges or fees, rather than optional extras such as baggage and travel insurance. Previously, airlines tended to display the cost of the flight without including any details of compulsory taxes and charges and, when adding on the charges, simply referred to them as taxes and charges, with no indication of the breakdown.

RQ3: Ryanair

Ryanair was more transparent than Aer Lingus in outlining taxes and charges. They are listed as part of the total and when the user clicks on the Taxes/Fees link, they are broken down into 'taxes and fees' and 'aviation insurance/PRM levy'. Few participants actually noticed this link and several believed it was intentionally hidden. Clicking on the link added little clarity to their understanding of what the components were. As one participant stated: *'I have no idea what the PRM levy or the Aviation Insurance is'*. When the link was pointed out to the participants, one stated he would not have clicked on the link as he did not wish to be delayed. While the majority of participants believed Ryanair was non-compliant, they were more concerned a true total for taxes and charges was displayed rather than seeing the detail. One participant was unconcerned about the lack of breakdown and stated: *'It is good to know at a glance what they are'*, indicating they simply wished to know what the totals were for taxes and charges and for the fare. While participants were not generally concerned with seeing a complete breakdown of the charges, they did want to see the cost broken down to a level where they could see how much of the total fare consisted of taxes and charges and were happy with the level of breakdown given. As one participant stated: *'it is clear enough for me'*.

RQ3: Aer Lingus

Aer Lingus listed taxes and charges as a hyperlink in the table displaying the price, where additional information about taxes and charges are found. However, it does not state the charges. One participant stated: *'it's just telling me I have to pay charges'*, with another stating: *'they combine the two charges but I don't understand what the two charges are or why it's designed this way'*. Another participant believed Aer Lingus were hiding the charges, stating: *'[they are] trying to blindside you and not disclose what charges apply to you'*, while another believed Aer Lingus was simply being lazy by including details of charges for US flights in the pop-up window.

Although a breakdown was not important to participants, they did want to see a total for all taxes and charges. One participant stated: *'It's ok but it's not broken down but I don't need it broken down. Just a total is ok for me'*. However, as Aer Lingus did not include the handling charge within this total was unexpected and unacceptable to most participants. Many participants initially believed the handling charge was included in the taxes and charges and were surprised when it was added at a later stage. Some participants believed the handling charge was added separately to fool the customer into believing the taxes and charges were less than they were: *'[it is done] so that the taxes and charges don't appear large'*. Most participants believed the way in which the handling charge was shown was unclear. Participants stated: *'I did not notice it. It's quite misleading. It's a faded text so you don't realise you're going to incur a charge'*; *'the faded text looks like general information'* and *'they don't want people to be aware of this'*. They also believe it was done deliberately: *'[it is done this way as] they don't want people to be aware of this [handling charge]'*.

The participants predominantly believed Aer Lingus was not compliant with the requirement to provide a detailed breakdown of all price elements. However, as was the case with Ryanair, they generally felt a full breakdown was unnecessary, although they did want to see a total for all taxes and charges. They also believed this total should include all taxes and charges, including those charged by Aer Lingus itself.

Participants did not appear to differentiate between external charges (e.g., taxes and airport surcharges) and internal charges (e.g., handling charge) by the airline. One participant stated: *'I presume [the handling charge] is part of the Taxes and Charges but it's not clear if this is so'*. However, the legislation does not seem to consider the handling charge to be a tax or charge as it states the breakdown should specify: *'air fare or air rate; taxes; airport charges; and other charges, surcharges or fees, such as those related to security or fuel'*. Therefore, it is not required the handling fee be indicated in a breakdown. However, as detailed previously, the legislation requires the total price to be clear at all times and since the handling charge is unavoidable, it should be included as part of the air fare. The annoyance evidenced by the participants was less a desire to have the handling charge included in the breakdown and more a desire to have all elements of the price included at the start. As one participant stated: *'they should include [the handling charge] in the low fare price'*.

Summary of Previous Findings

As outlined earlier, the findings from research questions RQ4, RQ5 and RQ6 were published in [4]. To place the above findings in the context of the overall study and for the discussion to follow, it is necessary to present a brief a summary of the findings from the previous research.

Summary of RQ4: Are all optional extras communicated in a clear, transparent and unambiguous way, at the start of the booking process?

On Ryanair's initial screen, the message 'Optional charges such as administration and checked baggage fees are not included' appears immediately beneath the total flight cost. Most did not see the message and, in fact, found it unhelpful, particularly since nine other optional charges or services were not even mentioned. A 'detail' link invokes a pop-up window where fees were explained. While participants thought the pop-up acceptable, others felt the information value was lost, so extensive and superfluous was the content.

On Aer Lingus' website no optional extras were displayed on the initial screen. The only extra charge mentioned was the handling charge, which was not optional. All optional extras were introduced incrementally, resulting in a gradual increase in the price of the flight.

In brief, on RQ4 participants unanimously believed neither airline complied with the provision that all optional extras be communicated in a clear, transparent and unambiguous way at the beginning of the booking process. Many believed the manner in which optional extras were presented was designed to commit users in to the booking process and ultimately purchase the flight. In this regard, participants believed such design to be deliberate.

Summary of RQ5: Are all optional extras presented as opt-ins?

On Ryanair's website, this question generated enormous confusion, ignominy and anger. Ten decisions on optional extras must be negotiated. Seven of them were 'must-opt' constructs. Barring Terms and Conditions, no indication is given that any must-opt demands an interaction on the part of the user. The remaining three options are opt-in and can be by-passed without any required interaction. However, participants were unclear and wary about the nature of all options and spent some time reading them to avoid choosing them. Travel insurance caused considerable resentment and anger amongst participants. Users had to scroll down a drop down list of countries to find, between Latvia and Lithuania, a 'country' called 'No Travel Insurance Required.' It drew a torrent of adjectives such as: underhand, sneaky, aggressive, extremely dodgy, tricky and deceptive.

With Aer Lingus, fourteen decisions on optional extras must be negotiated. Of these, three were must-opt, one opt-out and the remainder opt-in. Travel insurance was presented in a confusing manner and invoked annoyance amongst participants. The amount appeared pre-selected in a right hand column, but was not included in the total price. Two 'Yes/No' options appeared with un-checked radio buttons; thus, it was a must-opt. However, there was disagreement on how to describe the decision. While few believed it was opt-in, participants were fairly evenly split as to whether it was opt-out, neither, or unsure. The confusion was more exaggerated with Aer Lingus than Ryanair because the cost was pre-selected alongside other charges.

Thus on whether all optional extras were presented on an opt-in basis, almost as many ancillary services were presented as must-opts or opt-out, a clear violation of the EU legislation. With Ryanair, users are obliged to make seven must-opt and three opt-in decisions. With Aer Lingus, users had to navigate through four screens that deal with the booking process up to card payment and encountered two must-opt, one opt-out and eleven opt-in decisions on optional extras.

Summary of RQ6: Do users feel harassed or coerced into choosing optional extras?

On Ryanair's website, while little difficulty was encountered with decisions on baggage, SMS, sports equipment and special assistance presented, the option to purchase a Ryanair approved cabin bag was deemed inappropriate, pushy and annoying. Regarding travel insurance, described above, many were annoyed and believed it was unacceptable design; several believed it was deceptive. On declining travel insurance, the pop-up reminder was widely cited by participants as aggressive and coercive. Additionally, most participants reacted to the Hertz rental page with distaste.

Most believed Aer Lingus's site was not usually harassing or coercive. However the first 'flex fare' was thought acceptable, but when it appeared a second time, most thought it was pushing the boundaries of compliance. Some believed the must-opts (e.g., insurance and parking) with Aer Lingus were borderline compliant, while others believed they were outright non-compliant. The pre-selected nature of the cost was thought to be pushy.

Regarding whether users felt harassed or coerced into choosing optional extras, respondents reported significant non-compliance, pushiness and aggression with a small number of ancillary services, such as travel insurance. Generally, participants believed Aer Lingus was more compliant than Ryanair.

Participants' Attitude to Compliance

Once the verbal protocol concluded, each participant answered a short questionnaire, indicating the extent they believed each airline complied with the different legislative requirements. They were presented with a 5-point Likert Scale for each requirement (see table 2). The scale ranged from ‘Strongly Disagree’ to ‘Strongly Agree’ and the participant was asked to tick the level of agreement that most closely matched their opinion on the level of compliance for each airline. The ratings were assigned values of 1-5, with 1 corresponding to ‘Strongly Disagree’ and 5 corresponding to ‘Strongly Agree’. As there were only 20 participants, no statistical analysis, beyond calculating weighted means, was conducted.

As can be seen from Table 2, participants did not, in most cases, believe the airlines were compliant with legislation. For the first four legislative requirements (corresponding to RQ1-4), Aer Lingus fared worse than Ryanair. This corresponded broadly with the comments made during the verbal protocols as the participants, while they started out more positively disposed towards Aer Lingus, were surprised at their poor level of compliance.

Ryanair fared worse than Aer Lingus in the final two legislative requirements. This reinforces the comments made during the verbal protocols as Ryanair had considerably more opt-outs than Aer Lingus and were much ‘pushier’ in their attempts to coerce customers into buying insurance.

Table 2. Overall Weighted Average Ratings for Compliance

Legislative Requirement	Ryanair	Aer Lingus
The first quoted price included all unavoidable and foreseeable charges	1.550	1.400
The total price (including all charges and chosen extras) was clear to me at all times during the booking process	1.950	1.500
It was clear to me at all times what the different components of the taxes and charges were (e.g. taxes, airport charges, etc.)	2.250	1.900
At the start of the booking process all optional extras were communicated in a clear, transparent and unambiguous way	1.800	1.400
I had to opt-in in order to purchase all optional extras	2.600	3.350
I did not feel harassed or coerced into choosing optional extras during the booking process	1.900	3.100

8. Discussion and Conclusions

Respondents expressed differing initial views on whether they believed the first quoted price on Ryanair included all unavoidable and foreseeable charges. A few believed optimistically it did, but most had varying degrees of scepticism. After some time spent perusing the screen, participants began to take in more of the breakdown details displayed. Despite the reasonable granularity of taxes and charges, more than half of the participants did not believe Ryanair was in compliance with the legislation requiring the first quoted price to include all unavoidable and foreseeable charges. A positive disposition was expressed towards Aer Lingus in respect of this price compliance; but, as the interaction continued, this predisposition of greater trust evaporated. In summary, Ryanair exceeded users’ low expectations and Aer Lingus fell short of matching initial, higher, expectations.

Regarding consistent clarity of the total price, including all charges and selected extras, any early positivity melted away as participants navigated the booking process. For users, tricky navigation and irksome features hampered price visibility. Participants seemed suspicious of the total price, even when early pages seemed to offer some clarity.

Participants were also sceptical as to whether the airlines complied with the EU legislation governing the requirement that the components of taxes and charges be clear throughout the quote and booking process. The airlines displayed composite taxes and charges, but did not provide a clear and comprehensive breakdown of charges. However, participants displayed little enthusiasm for the minutia of taxes and charges. While neither airline particularly impressed participants, Ryanair communicated greater transparency than Aer Lingus who irritated with murky design features.

The user comments and attitudes detailed above indicate users are sceptical of the motives of, and distrustful towards, the airlines in question. While it is not possible to generalise beyond the two airlines, repeated poor experiences, such as those detailed in this study, may suggest to users that it is safer and less likely to result in unwanted options if they avoid, or at least minimise, online purchases.

The findings presented here and in [4] set out to explore user views on whether two Irish LCCs were acting in good faith in implementing consumer protection legislation. The European Commission recognised new technologies were used to nudge consumers to behave in ways airlines preferred. While ancillaries have become an essential and growing component of airlines' revenues, it is reasonable to expect they are implemented in a way where consumers do not perceive them as a barrier to securing flights. Although regulations specifically recommend optional charges be accepted on an opt-in basis, the airlines in this study may have found a technological by-pass of the regulations – the must-opt construct. This construct forces the user either to choose or decline the option explicitly. The user is thus prevented from proceeding without considering the option. This approach and the ambiguity of the definition of opt-in and opt-out decisions allow airlines to exploit the legislation to serve their own ends. The airlines' lack of full compliance with EU legislation suggests forthcoming EEC-Net reports are likely to reiterate the same recommendations. The game of catch-up between regulation and technology continues.

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