



The Stripped-Down Fare: Why Recognition Alone Is Not Pricing Power

What UK flyers will pay for a name on a bare ticket to Europe, and why British Airways has little room to raise its short-haul fares

Executive summary

- **Price dominates.** It drives 46.9% of choice; brand is the top non-price lever at 17.1%, ahead of bags (15.6%) and airport experience (10.6%).
- **Brand equity is real but narrow.** Measured against an unknown airline, only five of nine carriers hold a premium worth pricing on. BA commands the most, about £24.50 (31%); Ryanair and Aer Lingus command close to nothing. Recognition is not pricing power.
- **A stripped fare shifts share; it doesn't grow the market.** A bare £100 BA fare captures 17.6% share in our simulated market, about three-quarters from rivals and almost none from new flyers. BA's revenue rises about £478 million (24%), but yield per passenger falls about a third and total market revenue falls about 5%.
- **Raising prices comes with significant revenue consequences.** Demand is elastic across the study overall and, in most cases, even a £5 increase loses share faster than it recovers in yield.
- **The premium sits where a stripped fare should not cut.** BA's brand is worth about £56 to business travelers versus about £22 to leisure, and business travelers trade down into a stripped-down BA fare more than leisure do: about a third of its business volume is BA cannibalizing its own book, versus a quarter in leisure.

Bottom line: A strong brand lets a legacy carrier match the low-cost players on price and still win significant share, because the same bare fare carries a name they can't match. But that share comes from rivals at a lower yield, and the fare discounts the segment most willing to pay a premium for an airline, business travelers. The upside is real; so is the self-inflicted cost.

When the fare comes apart, what is the brand still worth?

The economy short-haul ticket has been taken apart. The fare that once bought a whole trip has been split into a bare base price plus an à la carte menu of extras, and then layered into fare families that fold those extras back in at rising prices. Low-cost carriers built the model, and full-service carriers followed, with some now adding base fares stripped to a personal item, at the no-frills standard the budget carriers set.

As fares strip down, two things happen at once. Propositions across carriers converge toward a similar bare base, and price becomes the most visible point of comparison on the booking page. That raises a commercial question every carrier now faces: **when the on-paper proposition, stripped to its base, is almost identical, how much is the brand itself still worth, and which carriers can charge a premium for it and which cannot?**

The mirror image of that question is defensive. When a full-service carrier introduces a bare, no-frills base fare, how much volume does it draw from competitors, and how much comes from flyers who would otherwise not have flown at all? That is the source-of-volume question sitting behind every fare-tier decision.

EPIC ran this study to answer both directly. Rather than ask flyers whether airline brand matters, which tells us little, we put brand, a set of ticket features, and price into a realistic booking choice. That lets us quantify the brand premium each tested airline commands on a like-for-like fare, and lets us simulate what happens to the wider market when a full-service carrier moves toward a true bare-bones fare in which effectively every option is unbundled.

What we tested

The study was built around a choice-based activity designed to estimate how UK flyers trade off brand, the different features of a fare, and price when those elements are combined into realistic ticket options.

Each concept was presented as a bookable ticket for a short-haul flight from the UK to a European destination, built from the attributes and levels below. Respondents were presented with ten sets of three ticket options and chose the ticket they would actually book in each, or rejected the set entirely by choosing none of these.

Attribute	Levels tested
Airline (brand)	New Airline (unbranded baseline), Ryanair, easyJet, British Airways, Jet2, Lufthansa, Virgin Atlantic, Air France, Aer Lingus, Emirates
Bags	No baggage included / Under-seat bag only / Under-seat bag + Cabin bag / Under-seat bag + 20kg checked bag / Under-seat bag + Cabin bag + 20kg checked bag
Advanced seat selection	No / Yes, at an extra cost / Yes, free of charge
Airport experience	No extras / Lounge access / Fast-track security / Priority boarding / Lounge access + Fast-track security / Lounge access + Priority boarding / Fast-track security + Priority boarding / Lounge access + Fast-track security + Priority boarding
Flexibility	No changes allowed / Changes allowed with no fee; pay any difference in fare / Changes allowed with a change fee; pay any difference in fare
Onboard food and drink service	Extra cost / Free light snack / Free non-alcoholic drink / Free light snack & non-alcoholic drink
Boarding and deplaning	Enclosed jet bridge / Walk to/from plane + stairs / Bus to/from plane + stairs
Return Ticket price	£80, £110, £140, £170, £200, £230, £260, £290

Each attribute included a baseline level that strips the feature back to nothing: the unbranded New Airline, No baggage included, No advance seat selection, No extras at the airport, No changes allowed, and so on. This lets us read the value of each feature, and the equity of each brand, as a clean premium in pounds over its own baseline. It also means any carrier can be taken down to a bare, no-frills base within the model, which is what makes the stripped-down fare question possible to explore.

Methodology

EPIC surveyed 300 UK adults who had taken at least one short-haul flight from the UK to a European destination in the previous twelve months. The sample was intentionally focused on flyers with recent, direct experience of booking and taking these routes, so that choices reflected real booking behavior rather than hypothetical interest in travel. Quotas were set on age, income, trip purpose (leisure versus business), and geography, keeping the sample broadly representative of the UK flying population.

By asking respondents to choose the ticket they would actually book, or to reject the options entirely, the choice-based approach let us observe how brand, features, and price interact under a realistic trade-off. This moves beyond stated preference. Instead of asking whether flyers value a trusted airline, a bag, or a flexible ticket, it shows how much each of those is worth when they must be weighed against one another and against price.

What the preferences say

Relative importance shows how much each attribute drove choice within the tested feature and price ranges. **Price was the dominant lever at 46.9%**, close to half the decision on its own. Airline brand was the largest non-price attribute at 17.1%, followed by bags at 15.6% and airport experience at 10.6%. The remaining attributes sat well behind: advance seat selection at 3.2%, onboard food and drink at 2.7%, boarding and deplaning at 2.2%, and flexibility at 1.8%, with flexibility barely registering as a decision factor at all.

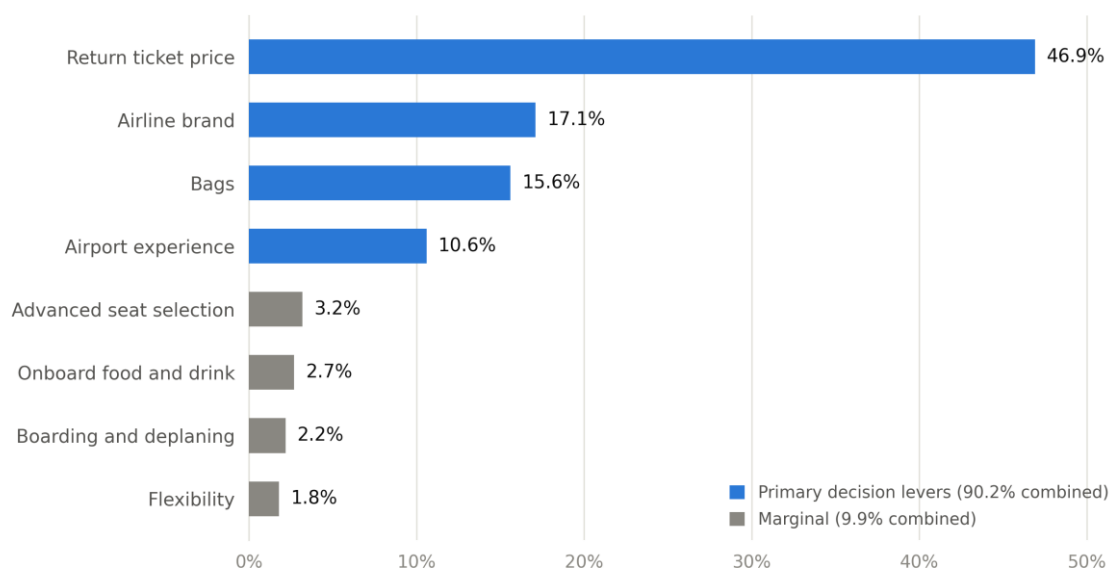


Figure 1. Relative feature importance.

One number in that ranking deserves a word on how to read it. By showing every airline as a direct non-stop to the respondent's preferred destination, the study isolates the value of the name itself, brand equity measured cleanly, rather than the schedule and network advantages that usually travel with a strong carrier. That is the purer measure of what a brand is worth, and a conservative one for a live booking, where the name and those advantages arrive together and pull harder still.

At the feature level, British Airways led on brand at 13.1%, followed by Virgin Atlantic at 12.2%, Jet2 at 11.9%, Emirates at 11.8% and easyJet at 11.3%. The unbranded New Airline baseline sat at 9.5%. Lufthansa (10.3%) and Air France (9.8%) cleared that baseline only narrowly, and Ryanair and Aer Lingus, both at 9.4%, sat level with it. Neither commands a measurable preference premium over a carrier the respondent has never heard of once the non-stop flight is guaranteed. Equity in this market also does not track the low-cost versus full-service divide: two UK low-cost carriers outrank two European flag carriers, so familiarity and presence in the UK market outweigh service positioning.

The non-price features behave in ways that matter for how a fare gets built. In bags, the checked allowance is the value driver. The two configurations containing a 20kg checked bag scored almost identically at 14.6%, suggesting a cabin bag adds little measurable value once a checked bag is already included. In airport experience, single benefits do very little on their own. Priority boarding (9.4%) and lounge access (9.9%) sit level with no extras at all (9.5%), and fast-track security (10.9%) is the only standalone benefit that clearly clears the baseline. Any pairing of benefits, however, jumps to 12.3% or above. Flyers are buying the sense that the airport is handled rather than perks individually. The four low-importance attributes, seat selection, flexibility, onboard catering and boarding method, all sit inside a narrow band across their levels, consistent with their importance scores: none of them differentiated tickets enough to act as a commercial lever on these routes. Price is steep but not smooth: preference holds almost level from £80 to £170 and then falls away sharply, so sensitivity to price increases rapidly above £170.

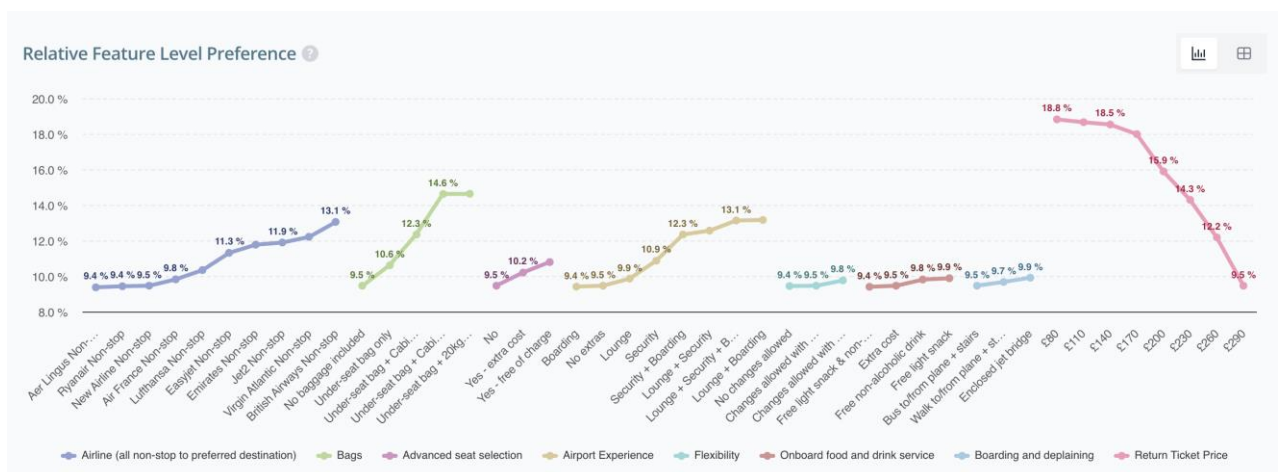


Figure 2. Relative feature-level preference.

Commercial read: Every ingredient of the stripped-down fare question is visible here. Price dominates, brand is the largest non-price lever, and the top levers narrow to price, brand, bags and airport experience. What preference scores cannot tell us is what any of this is worth in pounds, which carriers can convert equity into a fare premium and which cannot, or where volume comes from when one carrier drops to a bare base. Those require the simulations we turn to next.

What the brand is worth in pounds

Preference importances rank the brands but say nothing about what the equity is worth at the till. To put a figure on it, we held configuration constant and used the simulator to find the price at which each carrier draws level with the unbranded New Airline offered at £80. The gap is that carrier's brand premium: the fare it can charge above an airline the respondent has never heard of, with a non-stop flight guaranteed on both.

Airline	Indifference price	Premium over baseline	% premium
British Airways	£104.50	+£24.50	31%
Virgin Atlantic	£98.00	+£18.00	23%
Jet2	£96.00	+£16.00	20%
Emirates	£95.00	+£15.00	19%
easyJet	£92.00	+£12.00	15%
Lufthansa	£86.00	+£6.00	8%
Air France	£83.00	+£3.00	4%
Ryanair	£81.50	~ £0	parity
Aer Lingus	£80.50	~ £0	parity

British Airways commands the largest premium by a clear margin, roughly £24.50, or 31% over the stripped base. Virgin Atlantic (£18.00), Jet2 (£16.00), Emirates (£15.00) and easyJet (£12.00) form a middle tier holding double-digit equity. Two of them, Virgin Atlantic and Emirates, built those brands largely outside short-haul Europe and do not fly the everyday UK-to-Europe network, so their figures are best read as latent equity rather

than pricing power they can exercise on these routes today. Below them the value falls away fast: Lufthansa and Air France clear the baseline only into single digits, and Ryanair and Aer Lingus sit at parity, unable to charge a measurable penny over a carrier no one has heard of once the non-stop is guaranteed.

Two structural findings sit inside that ordering. First, **equity does not track the low-cost versus full-service divide**. Two UK low-cost carriers, Jet2 and easyJet, out-earn two European flag carriers, Lufthansa and Air France, on premium. What the premium rewards is familiarity and presence in the UK market, not service tier. Second, brand equity on these routes is not a given for any household name. Ryanair, the most visible low-cost brand in the UK market, converts that visibility into nothing at the fare level once schedule and route are equalized, and Aer Lingus, a peripheral carrier for UK-originating European trips, sits alongside it at zero. **Recognition is not the same as pricing power.**

Commercial read: Only five of nine tested carriers command a premium large enough (at least 10%) to price against on a like-for-like short-haul fare, and only BA commands one large enough to be strategically decisive. For the four carriers that cannot clear single digits, brand is not a lever on the base fare; their pricing power, if any, has to come from schedule, route, network or loyalty rather than the name on the ticket.

What a bare fare does to the market: British Airways

The preference and equity sections establish that British Airways owns the largest brand premium in the set. The source-of-volume question is what that equity is worth on the offensive: if BA introduces a bare, fully unbundled fare, how much share does it capture, and where does that share come from?

We built the base market from the carriers that actually operate UK-to-broadly-European short-haul routes, which narrows the ten-carrier equity field to the four genuine competitors on these routes: Ryanair, easyJet, British Airways and Jet2. The market was set as seven bookable fares, each carrier's two lowest tiers plus Jet2's single inclusive fare, priced at the round-trip levels grounded in the fare research: Ryanair Basic £100 and Regular £135, easyJet Light £120 and Smart+ £170, British Airways Basic £190 and Plus £218, and Jet2 Base £120. We then introduced an eighth fare, a stripped British

Airways product carrying the BA brand and a jet-bridge boarding but with every other feature taken to its baseline: no baggage, no seat selection, no airport extras, no changes, paid onboard catering, priced at £100 return.

BA is the right carrier to strip, and the only one where the move is meaningful. Its base fare is the most fully equipped in the set, and its brand is the most premium, so taking it down to a bare fare is a genuine strategic change rather than a relabeling. The low-cost carriers are already there: Ryanair's and easyJet's base fares are stripped by design, and Jet2's single fare is essentially the same bare product as the other carriers' lowest tiers with a cabin bag folded in, so there is little left to remove. Only BA has both a feature-rich base to strip and a brand strong enough to make the stripped fare pull.

The stripped fare captured **17.6% share**, making it the second-largest single product in the market behind only Jet2. It is essential to read this as a combined move rather than a pure proposition test. At £100 the stripped fare not only removes features, it undercuts BA's own Basic by £90 and sits level with Ryanair's cheapest fare. The 17.6% therefore reflects both the stripped proposition and a steep price cut, and the two cannot be fully separated within this run.

Where that share comes from is the substantive finding. Of the 17.6% captured, roughly a quarter, 4.6 points, is drawn from BA's own Basic and Plus fares. The remaining three-quarters comes from competitors, and almost none from new demand: the none-of-these option barely moves, from 3.1% to 2.6%. **On these mature UK-Europe routes a stripped BA fare does not grow the market, it redistributes it.**

Product	Price	Share before BA stripped-down fare introduced	Share after BA stripped-down fare introduced	Change
British Airways stripped down	£100	new	17.6%	new
British Airways Basic	£190	4.2%	2.7%	-1.5
British Airways Plus	£218	11.7%	8.6%	-3.1
Ryanair Basic	£100	17.4%	14.4%	-3.0
Ryanair Regular	£135	16.7%	15.5%	-1.2
easyJet Light	£120	13.8%	10.9%	-2.9
easyJet Smart+	£170	9.4%	8.3%	-1.1
Jet2 Base	£120	23.8%	19.3%	-4.5
None of these		3.1%	2.6%	-0.5

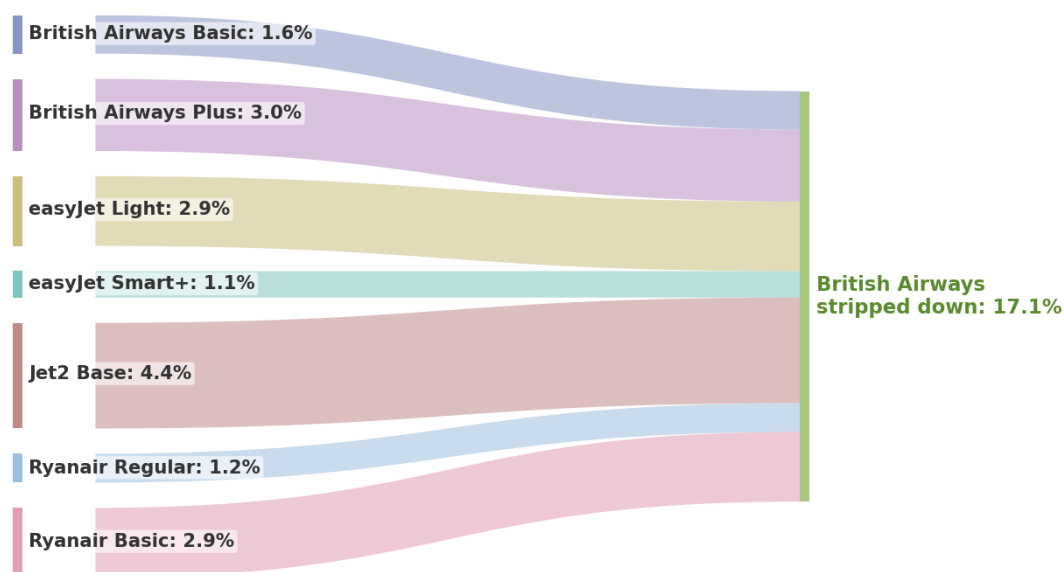


Figure 3. Source of share for the British Airways stripped-down fare.

The flows shown sum to 17.1 points; the remaining 0.5 point of the fare's 17.6% total is drawn from reduced none-of-these, which the flow view does not show. Product-level changes may not sum exactly to the fare's total share because of rounding.

The competitor draw is concentrated among the fares nearest the stripped product in price and proposition. In absolute terms Jet2 gives up the most, 4.5 points, but that partly reflects its size as the largest fare in the base market. Measured as a proportion of each fare's own share, the pattern is sharper: BA's own Basic loses the largest fraction, then BA Plus, then the low-cost bare bases, easyJet Light, Jet2 and Ryanair Basic, each shedding roughly a fifth. The two genuine upsell tiers, Ryanair Regular and easyJet Smart+,

are the most insulated, losing proportionally the least. **A bare fare competes hardest with other bare fares and with the carrier's own base**, and leaves the bundled-up tiers relatively untouched.

Scaled to the roughly 60 million UK-to-Europe short-haul journeys made in 2024 (ONS), and treating the eight modeled fares as the entire market, the revenue effect is where the strategic tension sits. Adding this single fare lifts BA's estimated annual revenue from about £2.01 billion to £2.49 billion, a gain of roughly £478 million, or 24%. But that gain badly lags the volume behind it: BA's share of the market rises by more than 80%, from 15.9% to 28.9%, while revenue rises only 24%. The implied average yield per passenger therefore falls by about a third, because the stripped fare wins its share at £100 against a book that had been selling at £190 and £218. BA wins substantially more passengers and more revenue, but at a materially diluted yield.

One market-level reading closes the section. Total estimated market revenue across all fares falls from about £8.06 billion to £7.63 billion when the stripped fare enters, a drop of roughly £427 million, or 5%, even as BA's own revenue rises. Because the none-of-these share barely moves, the fare is not creating new value, it is pulling the whole market down to lower price points and transferring share and margin to BA from its rivals. The stripped fare is a redistribution of the existing market, not an expansion of it: BA gains, and the market it moves in is left smaller in total value.

Commercial read: British Airways can use its brand to reach down into low-cost territory and take share from its competitors. A single bare fare captures 17.6% of the market, about three-quarters of it from competitors and their nearest-priced fares, almost none from new flyers, and lifts BA's revenue by roughly a quarter. The cost is yield: the win comes at a £100 fare that dilutes average price and depresses total market revenue. The equity is real and convertible: BA is better off, with more passengers and more revenue. But the gain is redistributive, not additive. It comes from rivals' share and BA's own yield, and total market revenue falls, so a stripped fare moves value around the market rather than creating it.

Can British Airways raise prices? The elasticity ceiling

The source-of-volume result raised an obvious follow-up: having reached down with a stripped fare, could British Airways also lift its existing fares to recover yield? To test it, we traced the price-elasticity curve for each BA tier, sweeping the fare upward in £5 steps and reading the share lost at each step.

The answer is no. Across every BA tier, demand is elastic at every tested price increase. British Airways Plus illustrates it cleanly. From its £218 list price, the smallest tested increase, £5, moves share from 8.6% to 8.2%. That is a rise of about 2.3% on price for a loss of roughly 5% of the fare's share, an elasticity of about -2.0 at that point, and the pattern holds across the whole £218 to £253 window, steepening to around -3.2 in the middle of the range.

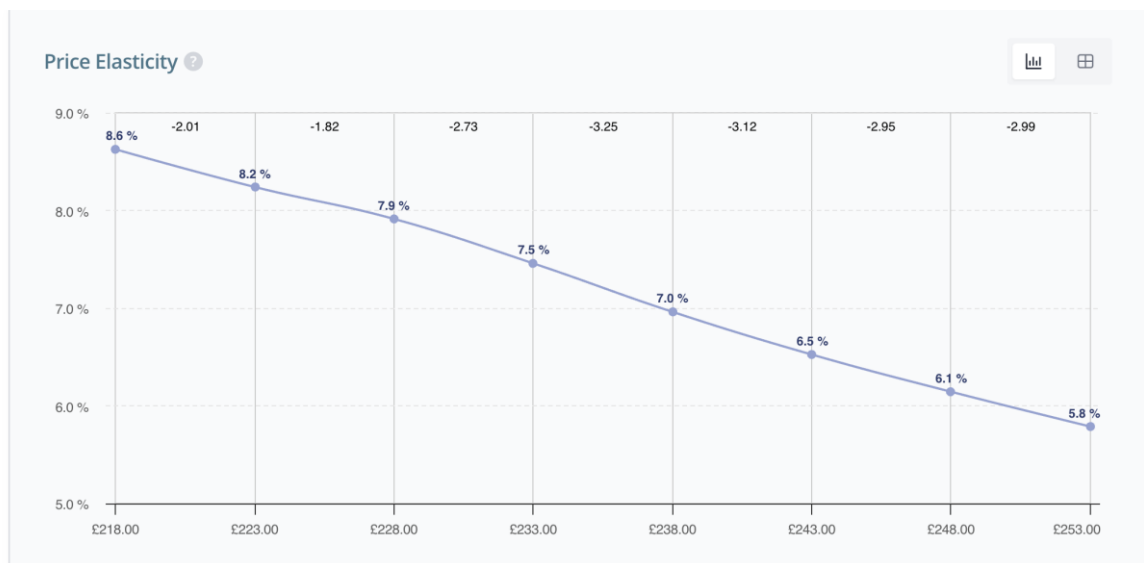


Figure 4. Price-elasticity curve for British Airways Plus, £218 to £253.

The reading for the paper is narrow and firm: **at the prices tested, British Airways has no room to raise its short-haul fares.** Even a £5 increase loses share faster than it recovers in yield, on Plus and on every other tier. This is the same story the importance scores told, price is the dominant lever in this market, now expressed as a hard constraint on pricing action. Price is not a lever BA can pull upward here. Two conditions bound that reading. A choice exercise strips out the switching costs, schedule and slot constraints, loyalty programs and corporate contracts that hold real bookings in place, so modeled elasticities run steeper than those observed in market; the dependable signal is the direction and the relative position of each tier, not a per-pound forecast of volume lost.

And every competitor fare is held fixed here, so this is BA moving alone rather than a market that moves back.

Where the premium lives: business versus leisure

So far the brand premium has been a single number: £24.50 over an unbranded carrier, averaged across the whole sample. But an average hides the customer, and this one blends two very different flyers. To separate them, we re-ran the like-for-like head-to-head, BA against the unbranded New Airline at £80, once for business travelers and once for leisure, holding every non-price feature identical and reading off the fare at which each segment splits evenly between the two.

The premium is not evenly held. **Business travelers pay BA about £56 over an unknown carrier for the same bare seat; leisure travelers pay about £22**, less than half. BA's brand equity concentrates in the business flyer, the customer who is captive to schedule and network and least moved by price, and thins out among the leisure flyer, who is shopping the fare.

The sample is 255 leisure to 45 business, consistent with the leisure-heavy mix of UK short-haul demand, so the full-sample premium of £24.50 sits close to the leisure number simply because leisure travelers make up the large majority of it. The headline figure is, in effect, the leisure premium wearing a full-sample label; the business premium, more than double it, is all but invisible in the average.

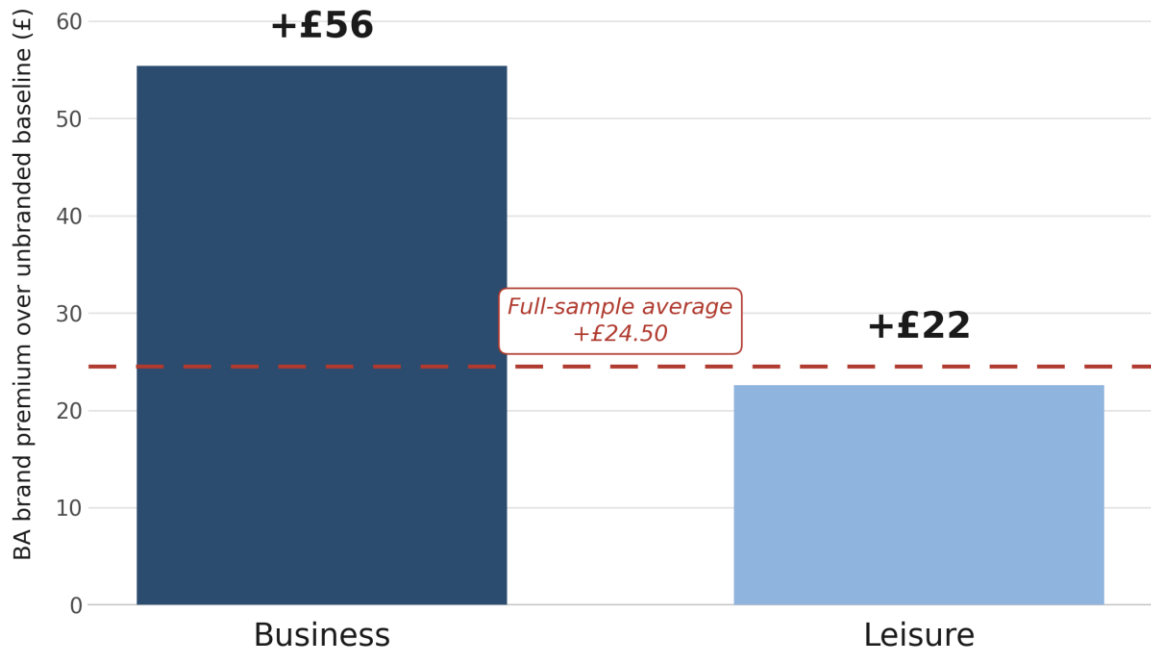


Figure 5. BA brand premium over an unbranded carrier, by trip purpose.

Do business travelers actually book the bare fare? Yes, more than leisure.

The segmentation so far rests on willingness to pay: business flyers value the BA name at roughly £56, leisure at about £22. That predicts business travelers should be the more likely to trade down into a bare BA fare. To test it, we re-ran the eight-fare source-of-volume simulation separately for each segment and read where the stripped fare's volume comes from.

The stripped fare captures almost the same total share in both segments, about 17%, but the source of that share differs sharply. Among business travelers, about a third of it is BA cannibalizing its own Basic and Plus fares; among leisure travelers only about a quarter is, with three-quarters drawn from competitors. Business flyers who take the £100 fare are disproportionately trading down from fares they were already paying BA, rather than being won from a rival.

Segment	Stripped-down fare share	From BA's own book	Self-cannibalization
Business	17.0%	5.9 pts	~35%
Overall (full sample)	17.6%	4.6 pts	26%
Leisure	17.1%	4.3 pts	~25%

Where the stripped fare's volume comes from, by segment. Self-cannibalization is the share drawn from BA's own Basic and Plus fares.

In leisure, the fare does what it is built to do, pulling price-driven switchers off Ryanair, easyJet, and Jet2. In business it leaks upward, discounting the segment that would have paid the most for the BA name.

Commercial read: BA's brand earns its premium largely from business travelers and less so the price-driven leisure switchers a bare fare is built to win. That is fine until the fence leaks: put a £100 stripped fare in market with nothing to stop a business flyer booking it, and BA hands its highest-premium customer a discount for no reason. **The stripped fare is a scalpel aimed at leisure, and the segment runs show it cuts business too.** A carrier launching one has to fence it to the segment that would not have paid the premium anyway, or the share it wins from rivals is paid for out of the yield it was already earning.

Conclusion: the brand is a scalpel

The short-haul fare has been unbundled to the point where, stripped to its base, one carrier's seat looks much like another's. In that world, the brand is the last non-price feature with any real weight, and this study set out to say, in pounds, exactly how much weight and for whom.

The answer is that brand equity is real, unevenly held, and easy to spend badly. Only a handful of carriers can charge anything for their name once the flight is equalized, and only British Airways commands a premium large enough to be strategically decisive. That premium is genuine money, and it works at both ends of the ladder. Priced high, the brand earns a premium; priced low, in a stripped fare, it captures 17% of the market, mostly from competitors. The equity converts either way.

But the same evidence shows how narrow the win is. The share is taken, not created; the market does not grow, it repartitions at a lower price, so the gain comes out of rivals'

revenue and BA's own yield at once, and total market value falls. The list prices cannot be lifted back up, because demand is elastic across every tier. And BA's brand premium is concentrated in the business traveler, not the leisure switcher the stripped fare is built to win, so a fare aimed at the price-driven customer will, left unfenced, quietly discount the high-yield one.

For an airline strategist the lesson is not "don't strip down," it is "know what you are spending." A stripped fare lets a strong brand take share a discounter cannot. But it takes that share from competitors at a diluted yield, in a market that does not expand, while endangering the segment that values it most. Fenced tightly to the right customer, it is a precise competitive weapon. Left open, it is a way to convert a valuable brand into low-yield volume. **The carriers that win the unbundled market will be the ones that treat brand equity as the scarce, segment-specific asset this study shows it to be, and price accordingly.**



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