

Koddi

Monetize
the entire
journey...

...not just the
destination.

Why AI matters for airline media networks

A report by Koddi

Maximizing relevance and conversions in airline media for higher passenger yield

Airline ancillary revenue grew 26% in 2024 to reach \$148.4 billion globally¹. Representing 14.4% of total airline revenue, this emerging growth category demonstrates how media monetization has evolved from nice-to-have to competitive necessity. Pillar examples include United Airline's Kinective Media launch, leveraging travel insights to connect consumers to personalized ads from leading brands.

But simply selling ad slots isn't enough.

The real value lies in ensuring the *right* ad reaches the *right* traveler at the *right* time. In a way that enhances, not detracts from the traveler experience, all the while leveraging every passenger touchpoint for yield optimization.

That's where the *right* ad tech partner who understands the complexity of airlines and their customers plays a critical role.

¹ IATA, December, 2024: Strengthened Profitability Expected in 2025 Even as Supply Chain Issues Persist; Faretrack.ai Breaking down airline ancillary revenue streams what passengers really pay for.

Why AI matters for airline media networks

Airlines control an estimated 15-17 unique passenger touchpoints from search to booking, on-board to post-flight, creating unparalleled audience insights with an estimated value of \$800² per high value traveler. However, 73% of airline executives report an inability to activate this data at scale due to legacy system constraints and real-time processing requirements.

Access and visibility of the end-to-end traveler journey, from first search to post-trip gives brands the unique ability to target based on impactful segments such as:

- + Destination and travel dates
- + Fare class and ancillaries purchased
- + Loyalty tier and history

This context is gold for advertisers, but acting on it at scale required commerce media expertise and AI capabilities.

AI makes it possible to:

- + Qualify touchpoints and predict likely engagement
- + Match ads to traveler context with precision
- + Optimize auctions for both revenue and experience

This is where a critical AI optimization feature, Quality Score, enters the picture.

Delivering relevant ads in real time across thousands of travellers, devices, and destinations isn't something a manual rules-based system can handle.

² McKinsey, May 2025: The eight myths of airline retailing; Adara: Airline Digital Advertising: How to Reach the Right Travelers and Drive Direct Growth.

What is Quality Score?

The system rewards ads that are both valuable to the airline AND useful to the traveler.

If AI is the engine of modern ad decisioning, Quality Score is the steering wheel.

Quality Score functions like an airline revenue management system, but for advertising auctions. Just as your revenue management systems maximize yield per available seat mile (RASM), Quality Score maximizes revenue per advertising impression while protecting completion factors and customer satisfaction scores.

It protects traveler experience while ensuring advertisers see ROI.

How Quality Score works

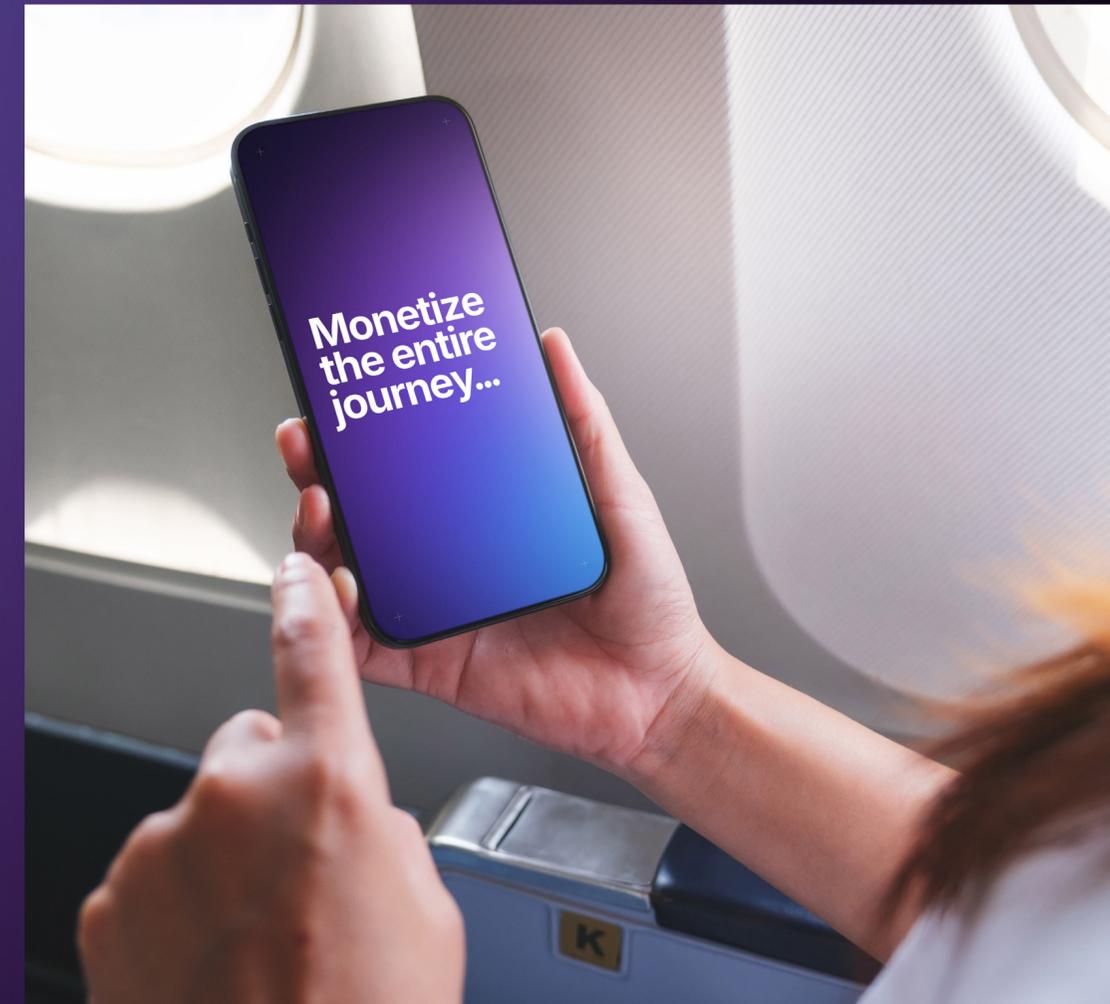
Every time an ad auction is triggered (on confirmation page, Wi-Fi login, boarding pass view), the system calculates a score based on:

- + Predicted click-through rate (Will they engage?)
- + Ad relevance (Is it contextually aligned with the trip?)
- + Post-click behavior (Does it provide value & convert?)

Formula:

Ad Rank = Bid × Quality Score

A more relevant ad can beat a higher bid, driving better outcomes for everyone.



Example in action

FLIGHT

AIR LDW1 15 SEPT 2025

FROM

JFK

9:00 AM

TO

LAX

12:00 PM



PASSENGER

DAVID WATSON

GATE

A10

CLASS

ECO

SEAT

4A

Route:

JFK → LAX (avg. load factor 87%, premium cabin mix 23%).

Without Quality Score:

Generic ads generate 4.7% CTR, \$2.20 eCPM (travel industry average)

With Quality Score:

Contextual travel ads achieve 8.2% CTR, \$3.85 eCPM (+75% yield)

Result:

18,000 monthly passengers on this route generate additional \$26,700 monthly media revenue per advertising touchpoint.

And the passengers see something useful, enhancing their brand experience and improving Net Promoter Scores.

Why Quality Score matters

Quality Score protects five critical dimensions:

1.

Traveler experience – Avoids irrelevant, disruptive ads and builds trust

2.

Advertiser ROI – Rewards relevance and levels the playing field for smaller advertisers

3.

Airline revenue – Sustains long-term yield and drives conversions through better engagement

4.

Compliance – Maintains advertising standards and international data privacy regulations

5.

Operational efficiency – Reduces manual campaign management overheads

Without it, high-bidding but irrelevant ads dominate, leading to disengagement, advertiser churn and erosion of both advertiser and traveler loyalty.

Building an effective Quality

Implementing Quality Score requires strategic partnership and expertise to address:



Integration of existing revenue management and customer data platforms (inventory, context, behavior)



AI Model training and tuning



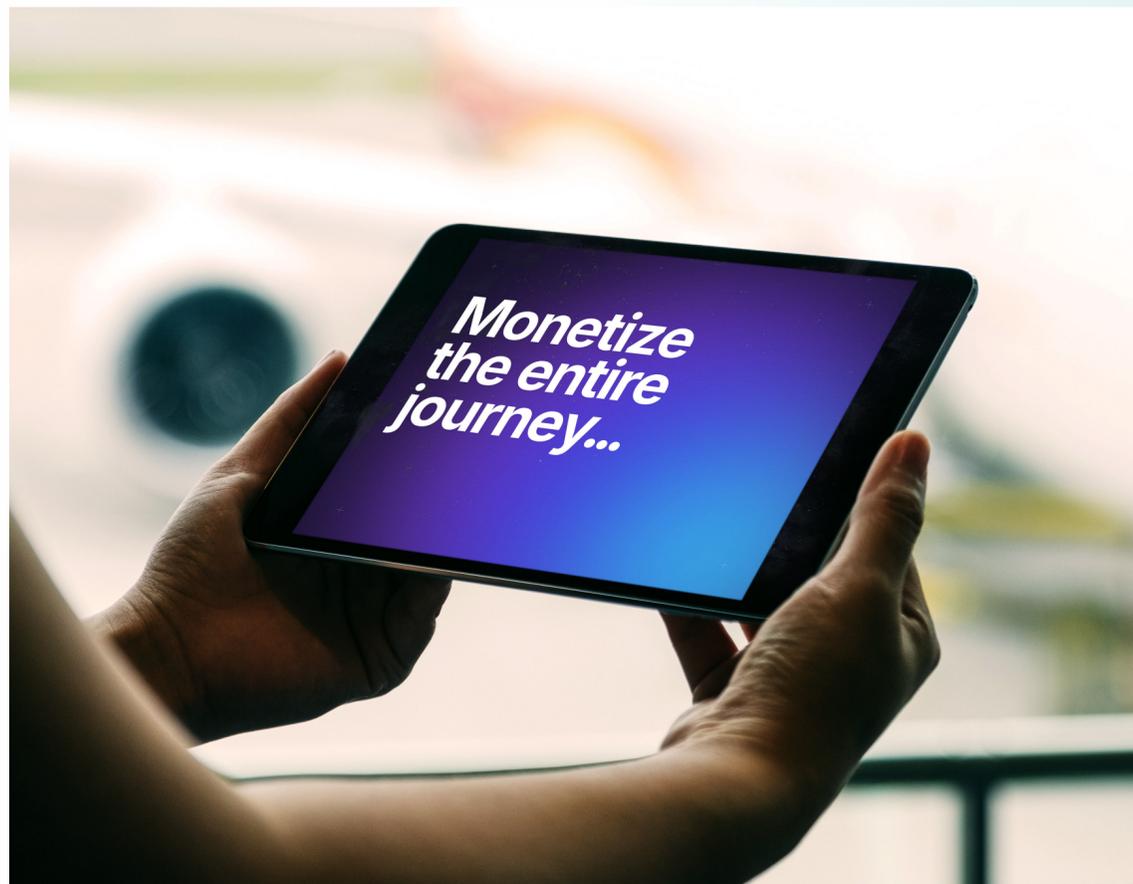
Low latency infrastructure for real-time auctions



Ongoing learning and performance monitoring

And critically: the ability to inject airline-specific business logic, such as loyalty priorities, higher-margin ancillaries or destination-specific campaigns, without sacrificing traveler experience.

Koddi's aviation-native approach



Unlike retail ad tech platforms, Koddi understands airline operations and the complexity of their customer data platforms. The Koddi Ads platform integrates directly with:

Passenger service systems (PSS) for real-time flight and passenger data

Revenue management systems for fare class and ancillary optimization

Loyalty platforms for tier-based targeting and rewards integration

The aggregation of this deep first party data combined with AI/ML-driven scoring with full customer control, enables airlines to:

- + Run auctions that consider ad signals, traveller context and performance
- + Customise quality scoring aligned with business goals
- + Deliver high-performing ads for both advertiser and traveller

It's a smarter way for airlines to monetize digital channels while protecting the airline brand and the traveler experience.

Intelligent media monetization is here

Airline media networks are quickly becoming a fast-growth revenue stream.

AI will underpin performance.

Quality Score is one example of how smart, adaptable systems can drive better conversions, higher yield and stronger loyalty.

The time to build these capabilities is NOW – as the airlines that embrace AI-powered monetization today will set the standard for relevance and conversion in travel media, securing both loyalty and long-term business advantage.

Want to learn how Koddi powers intelligent monetization for airline media? Contact us to get started.

For all commerce media.™

Koddi

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