

The term "ancillary revenues" has come to make some travelers cringe: Too often, it is a euphemism for "charging for things that used to be free."

Every now and then, however, an ancillary product comes along that travelers feel good about purchasing. Airsavings' "weather warranty" may fall into that category.

Airsavings, an 8-year-old company based in Boulogne-Billancourt, France, has developed a platform called Airlines Plus to support booking and ancillary service distribution primarily for low-cost carriers and mid-sized airlines. Its new product, MeteoBonus, allows travelers to purchase either rainy-day or lack-of-sunshine protection at the time of booking. The price depends on the destination and its weather statistics for the time of year.

Raphael Bejar, chief executive officer of Airsavings and the architect of MeteoBonus, explained how it works: Five days after a traveler returns from a trip, he receives a report on the status of the weather during his vacation. If the number of sunshine hours is below the average (or if the amount of rainfall is above the average) for the destination for the time of year, he is automatically compensated.

"There is no claim to be filed," Bejar said. "It's easy to use, easy to understand and rewarding. The data comes directly from national weather services. It's all validated and official."

It is also rewarding for the airline. "The investment by the airline is zero," Bejar said. "The passenger pays a fee, and the airline gets a commission."

Nor does the airline have to commit resources to the project. "We provide the technology," Bejar said. "The IT system is connected to the airline's booking path, and it's very easy to include."

Airsavings also is testing a new product with three airlines that promises to appeal to business travelers: a "bundle" of travel insurance and Wi-fi. According to Airsavings, the commission that airlines can earn on travel insurance represents one of the highest profit margins in the industry today. Yet sales of travel insurance in Europe have dropped an estimated 70% since last fall, when the E.U. required websites to switch from "opt-out" to "opt-in" sales tactics. Travelers, it seems, are hesitant to buy a product that ideally will not be used.

Meanwhile, Wi-Fi is one of the most popular services available in airports, hotels and other public spaces, but fees can range from \$8 to \$15 per hour, which some travelers consider a rip-off.

Wi-Fi Bonus provides 30 minutes of free Wi-Fi connectivity when a traveler purchases trip insurance. It works with more than 470 airports worldwide, and it adheres to standards of the Broadband Wi-Fi Alliance. It also tailors access options to the customer's itinerary. Wi-Fi usage is deducted by the second, allowing travelers to use their thirty minutes of access at whatever intervals and in whichever locations they wish.





"This increases the perceived value of an existing product whose conversion rate has been falling," Bejar said.

Airsavings is striving to take a much more positive approach to the ancillary revenue trend, he said, and airlines should think about their approach as well. "When 50% to 90% of your passengers buy online, you are not just an airline," Bejar said. "You are an e-commerce company."

That means an airline "has to react to what clients are willing to purchase," he added. "Let's listen to what they are looking for."

