

By: Martin Collings

This one is being pitched to airlines as a new form of ancillary revenue, and whilst an interesting product, I'm not sure Czech LCC SmartWings will be making a fortune on it. But I'm happy to stand corrected if proven wrong.

"MeteoBonus is a new-to-the-market service that allows travelers to protect their travel investment against weather disruption. Developed by Airsavings, Meteobonus provides customers booking with SmartWings (and eventually other carriers) to purchase financial assurance against both rainy weather and lack of sunshine. MeteoBonus is not trip insurance, however, which is designed to protect passengers from the unanticipated calamity. Rather, Meteobonus a financial derivative created to help consumers hedge against the two most typical holiday-busters: rain and lack of sunshine. The MeteoBonus process is straightforward: a traveler buys the weather protection, and if more rain than average falls in their destination during their trip (or if less sunshine is recorded), a predetermined amount of money is automatically paid to them. Meteorological data is based on the nearest weather station to the destination, and corroborated by the World Meteorological Association."

I've written many times on travel insurance and how profitable it is for airlines. EasyJet revealed earlier this year that travel insurance income had dropped due to regulatory changes, so maybe airlines are looking to make up for the drop elsewhere. Time will tell if Airsavings can tap into any of this opportunity in a meaningful way.

You may have noticed I described the Airsavings product as insurance, whereas they have been very careful not to use this word. Smart move on their part, as in some markets the use of the word insurance is restricted by legislation to genuine insurance companies only. This is why you see words like assurance or protection being used in its place.

In other ancillary revenue news of interest I've seen in the last day or so. Qantas owned LCC Jetstar boss Bruce Buchanan did an interesting interview, and here is one line from that story.

"Only a third of Jetstar passengers, he says, buy meals on board. A third of them bring their own food and the rest are happy to go without."

Last piece of ancillary revenue news I saw was from in-flight technology vendor GuestLogix. They have reported slightly improved profitability on much better revenue for the second quarter of 2010.

