

THIS STUDY PINPOINTS EUROPE'S NEXT BIG ANCILLARY: INFLIGHT WIFI

News / Airlines



Airlines revenue teams trying to come up with the next big ancillary product might have the answer right in front of them - inflight wifi.

A study from Inmarsat, based on a sample of 6,000 European travellers who took a laptop, tablet or mobile on a flight, found that two in three (67%) would be willing to pay to get online at 30,000 feet.

(Although 80% in total would use the service, suggesting that some passengers expect airlines to provide the service free of charge.)

The 35-54-year-old age group is the most willing, with 75% prepared to pay.

And if the revenue teams need convincing, there's a line in the accompanying white paper which should be highlighted: "European passengers who have had the opportunity to connect their devices to in-flight internet have seized it. 85% of those who had access to in-flight connectivity used it."

This is significant. Finding out which European carriers offer inflight wifi on short and medium-haul intra-regional flights is not immediately obvious, but it appears as if those airlines that do are getting almost total take-up.

And there is another stat in the study which reinforces the importance of inflight wifi to travellers - 69% of the sample said that they would choose an airline with access over one without.

So while it is quite obvious that inflight wifi access can become a revenue stream for airlines, wiring up a Boeing 737 or an Airbus A320 is an expensive undertaking, with a plethora of technical and regulatory challenges. The return on investment argument is less clear-cut.

At the risk of over-simplifying the technical side, airlines can offer access in different ways - signing a deal with a business such as Inmarsat where passengers connect via a network of satellites and/or ground-based receivers, or by putting a server on board and connecting via that.

Each has its merits and drawbacks, but one argument which applies across both options is bandwidth - what happens if everyone on the flight wants to download a film from Netflix or Amazon Prime at the same time?

Inmarsat's study suggests that this concern might be unfounded - the sample as a whole indicated their inflight activity would be relatively low bandwidth tasks such as browsing the web, emailing, engaging with social networks.

However, the 18-24-year-olds in the sample confuse the bandwidth picture with their preference for online games and music streaming.

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