



IN-FLIGHT ENTERTAINMENT CONTENT LICENSING REVENUES EXPECTED TO EXCEED \$300M IN 2024

News / Airlines



The Future of In-flight entertainment content is Valour Consultancy latest report and provides a timely overview of key developments that have occurred across the IFE content licensing landscape since 2020. Overall, the market has experienced a strong recovery in the post-COVID era, with content licensing revenues reaching over \$U.S. 300 million in 2024 as there is demand among airlines for a larger volume of more diverse content than ever before. However, airlines are also looking for cheaper and faster ways to procure such content.

Today, the typical content cycle takes up to 90 days and involves manual content-processing and physical files being couriered between vendors on a USB, leaving airlines less than satisfied. While the content licensing industry is failing to meet expectations, in-flight connectivity (IFC) is growing in adoption and capability; some airlines are already able to offer video streaming at remarkably little cost to the passenger which offers access to the ever-increasing slate of movies released via on-demand platforms.

However, licensed content is very important to an airline's IFE content offering - for many

passengers, new release content that they cannot access at home is the biggest appeal and main impetus for interacting with the IFE system at all. In fact, both IFC and IFE content will be crucial to providing the best possible passenger experience. Despite this, it is unlikely that airlines will continue to license as much content if it continues to travel through today's expensive and slow pipeline. The adoption of new technologies that reduce costs and inefficiencies wherever possible will be the key to success.

One of the biggest game-changers is the cloud. Cloud-based content processing labs can shrink the content cycle from 90 days to less than 10 days from selection to onboarding by automating technical services, adhering to standardisation by using centralised databases for processes such as adding metadata, and delivering content over the air. Within this content processing model, it is possible for content owners to work directly with labs and have content pre-emptively processed for the airline market which would cut out the middleman and completely change the content licensing landscape as we know it today. Some cloud-based labs also claim to be able to reduce technical costs by up to ten times.

Report author, Summer Staninski, believes that this will be the future of IFE content licensing. "Airlines haven't been happy with the current content cycle for many years, however, there has never been an alternative. Now that cloud technology has entered the market, airlines can choose a faster and cheaper option. This will become the future of content licensing and anyone that doesn't embrace the change is at risk of being left behind."

18 JANUARY 2024

ARTICLE LINK:

<https://50skyshades.com/news/airlines/in-flight-entertainment-content-licensing-revenues-expected-to-exceed-300m-in-2024>