

Free is the future of IFC

Get on board with IFC's
biggest trend.

Where we are in 2023

We live in a world where for most of us, Wi-Fi access is essential, like electricity or water. Reliable free Wi-Fi is made available by customer-facing businesses, ranging from the local coffee shop to shopping centres, to public transport.

But that's just the situation on the ground. In the air, many airlines have a long way to go to catch up with passenger expectations. Some still have no Wi-Fi offer at all. Others offer propositions ranging from paid, via freemium to free, and from heavily restricted to full throttle.

But now, as technologies have evolved and costs have fallen, some airlines have looked at innovative monetisation options to enhance the Wi-Fi experience onboard and offer it to their passengers for free.

In this paper we will examine the situation today with the airlines that are leading the way in how free inflight connectivity (IFC) is delivered. We will explore examples of different Wi-Fi business models and how airlines can monetise Wi-Fi. Moreover, we cover how to extend benefits well beyond passenger revenue and examples of airlines that have cracked the code.

“ We didn't just want free Wi-Fi to offer base-level service – we wanted it to be transformative for the entire onboard experience. It is imperative all customers onboard can enjoy their favourite content, just as they would at home. ”

Ed Bastian, CEO of Delta Airlines



Why free Wi-Fi is becoming the expectation

Free inflight Wi-Fi is such a key passenger expectation now, because it is free at the point of access, almost everywhere passengers use it in everyday life. And for airlines, that presents an opportunity: as more people use it, delivering it effectively inflight can have a real impact.

We've grown used to living much of our lives online. Many of us now consume most of our TV from streaming platforms and share news and life events on photo and video sharing platforms. And wherever we go – there's free Wi-Fi. And passengers now routinely expect the same level of connectivity on airplanes as they do on the ground.

Our recent [Passenger Experience Survey](#) found numerous behaviours and attitudes that are accelerating the shift toward expecting free Wi-Fi. For example, 77% of passengers now view inflight Wi-Fi as critical to their flight experience, an increase of 40 percentage points compared to pre-pandemic perceptions.

The very first iPhone was launched just 16 years ago. Yet today, most passengers travel with a smartphone, a tablet or a laptop, or a mix of all three. The trend to BYOD (Bring Your Own Device) sees 97% of the flyers in our survey use their own devices whilst in the air. This compares to just 33% in 2020.¹



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Passenger Experience Survey 2022, Inmarsat

97% of passengers use their own devices while flying.
Passenger Experience Survey 2022, Inmarsat

¹Passenger Experience Survey, 2022, Inmarsat



83% believe Wi-Fi should be free at point of access on long-haul flights.
Passenger Experience Survey 2022, Inmarsat

43% believe Wi-Fi should be free at point of access on short-haul flights.
Passenger Experience Survey 2022, Inmarsat

Our own research tells us there's a growing expectation that inflight Wi-Fi should simply be free at the point of access. In particular, when asked when inflight connectivity should be free, 83% of travellers pointed to long-haul travel.

And it's not just younger passengers that expect Wi-Fi to be free. Of those aged 55 and over, 86% expect Wi-Fi to be free onboard. This compares to 78% of those in Generation Z (those born between the late 1990s and 2010) who we usually consider to be our most digitally native generation.

Nearly half (47%) of flyers believe Wi-Fi should be free on short-haul flights too.²

All of these attitudinal and practical factors are driving the demand for free inflight connectivity. Many airlines worldwide are responding by upgrading the inflight passenger experience. But the models they choose differ.

The expectation Wi-Fi should be free crosses the age groups

Those agreeing Wi-Fi should be free on board



Passenger Experience Survey, 2022, Inmarsat

²Passenger Experience Survey, 2022, Inmarsat

Implementing free Wi-Fi

Not all online connectivity packages are the same and there are three broad approaches: free, freemium, and paid.

Arguably the most forward-thinking are those offering Wi-Fi free at the point of connection, because it is precisely how customers experience Wi-Fi on the ground in commercial spaces. Indeed, this passenger expectation is reflected throughout our research.

We're going to explore the key business models that airlines use, to bring connectivity to passengers.



“ Staying connected, even at 35,000 feet in the air, has become an essential aspect of the travel experience. ”

Mr Yeoh Phee Teik,
SVP Customer Experience, Singapore Airlines

1. Free

Here's a look at the various business models that airlines utilise for passenger connectivity today.

There are already a few airlines that offer genuinely free internet connectivity to all passengers on their flights. **Air New Zealand** offers free Wi-Fi across its fleet of short-haul and long-haul jets on flights to Australia, Asia, the Pacific Islands and sometimes domestically in New Zealand. Their service allows passengers to enjoy lots of everyday online activities, such as browsing the web, emailing, messaging and social media.

Airlines like **Air New Zealand** are part of a growing trend – and one that is strongly aligned with what passengers are looking for.

It's in this fully free space, that inflight connectivity best delivers the experience that people have come to expect.

2. Freemium

Though the term might be considered vague, this is usually a 'try-before-you-buy' approach to IFC. It typically gives all passengers a limited amount of data for free – often restricting users just to apps for chatting online or checking social media – before a payment is needed if they want to use more.

Different payment packages unlock different levels of connectivity, based either on data use or time. And the structure of the different packages varies by airline – although high-value customers are usually exempt from any charge.

For example, although **Iberia** offer free messaging to all members of the **Iberia Plus** frequent flyer programme, they also allow passengers to sign up to the programme inflight so they can enjoy free messaging too.

Alongside this, they offer paid access for general internet with streaming. This includes a paid messaging plan for those who do not want to sign up.

By doing all this, **Iberia** have seized the opportunity to increase engagement with their frequent flyer programme and open up future marketing opportunities.³

3. Paid

As the name suggests, this approach means passengers pay for online connectivity from the outset. In return, the connectivity offered is usually faster than free or freemium packages. The cost of paid IFC packages varies depending on airline, the type of Wi-Fi package, and the length of the flight.

In practice this means airline plans vary based on what passengers want to achieve, creating iterative levels of pricing to reflect the different propositions on offer.

Passengers can choose to just chat, to access mail or to browse the internet, with the ultimate option of streaming online. Limits are usually data allowances or flight duration, letting passengers buy based on what they plan to do on the flight.

Free Wi-Fi, a passenger benefit that can pay for itself

It might seem that the costs of providing IFC for free at the point of access would only erode margins. But our review suggests that this doesn't have to be the case.

'Going free' leads to increased passenger uptake and there are already several well-trodden paths to monetising that engagement that can make the service self-funding...

To get access to reliable Wi-Fi connectivity on a flight, which would you be willing to do?

52% see advertisements on my device when I connect

44% spend my loyalty points

Passenger Experience Survey 2022, Inmarsat

Opportunities for Ancillary Revenue

Selling advertising space:

Airline passengers are a captive audience. Many are in a positive mood, especially if they're going on holiday, and most will be receptive to the distracting power of advertising and open to making purchases.

This makes them an attractive audience to brands, giving airlines good reason to sell advertising space on their inflight Wi-Fi networks. Ad formats can include banners, video, or even sponsored content, and can be a lucrative source of revenue.

Free Wi-Fi (even for a short period or with limited data) is a powerful draw for passengers, attracting them to the online portal where they can be served advertising. Our own research also suggests that passengers would be happy to see advertising in return for Wi-Fi access.

Partnering with content providers:

Airlines can partner with content providers to offer free or discounted access to content for their passengers. This helps to attract passengers to an airline's free inflight Wi-Fi network and can also help generate revenue for the content provider.

For example, in addition to free Wi-Fi, **JetBlue** offers free access to Amazon Prime Video on its inflight Wi-Fi network. Passengers without a Prime account need to sign up to enjoy access to the streaming library.

That means **JetBlue** benefit by offering a differentiated, enhanced service, and Amazon benefit because many of the new, inflight sign-ups will remain customers of the platform after their flight has landed.

Collecting passenger data:

Airlines offering free access to IFC can collect and monetise data on how passengers use their inflight Wi-Fi networks.

This data can be used to target passengers with more tailored advertising – or to improve the inflight Wi-Fi experience. Depending on local regulations it could also be shared with any IFC partners the airline has engaged with.

Promoting airline loyalty programmes:

Carriers can use the offer of free IFC to promote their frequent flyer programmes.

This includes allowing passengers to earn or redeem miles for free IFC, or offering exclusive content or features to frequent flyer members (including those who sign up while inflight).

For example, **United Airlines** already enables passengers to earn miles by using their IFC platform. Several other airlines give passengers the opportunity to spend their existing loyalty points for access to IFC.⁶

Delta Air Lines provides fast, free Wi-Fi on an increasing number of its domestic mainline routes. Passengers can access the service via their SkyMiles loyalty number and password, while those without a SkyMiles account can create one directly from the login page. Only passengers who prefer not to have a SkyMiles account need to purchase Wi-Fi access.⁷

Selling products and services:

Mobile commerce has accelerated since the pandemic and airlines are starting to tap into this market by using their inflight Wi-Fi to sell products and services to passengers. Offering them free access to IFC could turbo-charge the value of this retail channel.

Revenue opportunities include selling duty-free goods, purchasing from the inflight menus, managing and booking flights or even providing virtual (sponsored) tours of the airline's destinations.

Real-time inventory management also means that customers can check on the availability of items as their sale takes place. The inventory that can be sold this way is theoretically limitless. Passengers could buy practically anything and have it delivered anywhere they like.

Sponsorship:

Airlines can partner with brands to sponsor specific free content or features on their IFC platforms.

For example, an airline might partner with a digital e-book provider, that could sponsor free inflight Wi-Fi for all passengers.

Combined with being a headline sponsor in the inflight user interface (UI) and promoting free access to their platform, this would drive sign ups and awareness for the sponsoring company.

⁶ UnitedAirlines.com, April 2023

⁷ News.delta.com, March 2023

Benefits money can't buy

Offering free IFC can deliver benefits beyond direct revenue. Other softer, less tangible positives also come from adopting a free model of IFC access. These are:

Improved passenger experience

One of the most important soft benefits of free onboard IFC is the extent to which it can improve the overall passenger experience.

Travellers who can stay connected during their flight are more likely to have a positive overall experience, using their time on the plane to work, relax, or simply entertain themselves. For those airlines concerned about their Net Promoter Score (NPS), high quality free or freemium IFC is a strong driver of improved ratings.⁸

Reduced boredom

It's a simple fact that bored passengers are more likely to complain about their flight than engaged and entertained passengers. And at the extreme, frustrated travellers are at increased risk of engaging in disruptive behaviour that can waste crew time and even distress other passengers.

That's why high quality inflight Wi-Fi helps keep customers entertained and engaged and can lead to a more positive overall experience for everyone, including cabin crew.

Improved brand perception

IFC is highly valued by passengers. Airlines that offer it are likely to be regarded as more customer-friendly and innovative than airlines that do not. Carriers promoting their IFC provision can use the service to improve their overall brand perception – and therefore attract more customers.

In short, quality IFC is a driver of increased passenger volume as well as a driver of increased passenger value.

Brand differentiation

In today's increasingly crowded and competitive marketplace, airlines need to find ways to stand out from the crowd. Though it's true that IFC is becoming more common, offering high quality free inflight Wi-Fi can still help those carriers that act now to set themselves apart from the competition.

90% of parents with kids under 18 would rebook with an airline that provided quality in-flight Wi-Fi.
Passenger Experience Survey 2022, Inmarsat

80% are more likely to travel with an airline again if quality Wi-Fi is available.
Passenger Experience Survey 2022, Inmarsat



Who's already getting ahead with free Wi-Fi?

Here's a sample of the airlines already offering free inflight connectivity to passengers.⁹



Delta Air Lines became the first major US airline to introduce fast, free Wi-Fi for all, working in partnership with T-Mobile.

The airline uses Wi-Fi as a means of recruiting flyers to its loyalty programme. It offers free Wi-Fi for SkyMiles Members so they can browse, stream, message, shop or work in the air without any charges on most domestic US flights. The model is also going to be rolled out to their international and regional aircraft.



JetBlue was another pioneer in the provision of free Wi-Fi connectivity and offers high-speed Wi-Fi at every seat, on every plane.

'From take-off to touchdown' JetBlue passengers can browse the web, use social media and stream videos and audio content. They have also partnered with Amazon to give free access to the Amazon Prime Video streaming library. All their passengers have to do is create an Amazon account.



Privilege Club members get exclusive access to one hour of complimentary onboard Wi-Fi. Passengers can pre-purchase Wi-Fi online for a discounted rate through Qatar Airways' website, with prices depending on the route and speed available.

During the 2022 World Cup, Qatar Airways also used its free Wi-Fi to offer passengers access to live FIFA World Cup™ matches directly on their personal devices. Passengers who connected to the onboard Wi-Fi network just had to click on the Live TV banner to enjoy the world's biggest football tournament.



The airline offers free messaging to all passengers on its fleet. This allows those on board to communicate using text messages via apps such as Facebook Messenger, WhatsApp, iMessage, and WeChat.

Messaging is one of the most popular IFC applications on any flight, and offering this free to all passengers increases the engagement with the airline's portal and overall use of the connectivity service. It can also help upsell other connectivity plans once passengers have used the messaging service. Air France offer two upgrades from this free level, to Surf and Stream.

OneFi. How Inmarsat delivers a richer experience

It's clear that inflight Wi-Fi is becoming increasingly important to passengers. But once onboard Wi-Fi is free, uptake increases, and quality of service becomes the defining factor of the inflight digital experience.

Which is why Inmarsat developed OneFi: a platform that facilitates all types of commercial Wi-Fi models and provides the building blocks for a frustration-free digital experience.

OneFi is a fully customisable platform that allows passengers to use their own devices, while ensuring the airline keeps complete control of the inflight Wi-Fi experience and that they can make frequent content updates.

OneFi also offers a variety of ancillary revenue opportunities that make it easier than ever to chart a path towards free inflight Wi-Fi. These include sponsorships for companies that want to reach passengers, selling advertising space and collecting data about passenger IFC usage.

OneFi

Acting as digital hub, OneFi can enable all types of activity:



Internet browsing:
Travellers can use OneFi to browse the internet, check their email and keep on top of their social media.



Streaming video & audio:
Passengers can stream movies, TV shows and music on their own internet-enabled devices.



Shopping & gaming:
With OneFi it's easy to shop for products and services, or play online games



Content delivery:
Airlines can use OneFi to deliver their own content to passengers, such as safety information, flight updates, and loyalty programme information.

OneFi Bundles

OneFi's broad range of features are available to airlines in a core platform called OneFi Connect, which contains the Wi-Fi plans and ISP functionality.

There are six themed OneFi bundles that can be selected individually or together. They are completely customisable to fit the airline's strategy.

All of this means that airlines can meet passenger expectations, whilst having a clear plan to recoup their IFC investment.

By providing consistent, reliable free Wi-Fi, airlines can curate an onboard experience that keeps passengers coming back for more – setting themselves up for long-term success.

What's more, passengers who have a good inflight Wi-Fi experience are much more likely to book the same airline again.

For those airlines that get it right, it's a win-win-win scenario.



Airline ID

Includes airline communications, the inflight magazine and passenger surveys.



Advertising

Offers ad placements, a server and analytics.



Shop

Offers a marketplace, retail and crew app integration as well as checkout flow.



Entertainment

Streaming, movies, TV, audio, games and kids' entertainment.



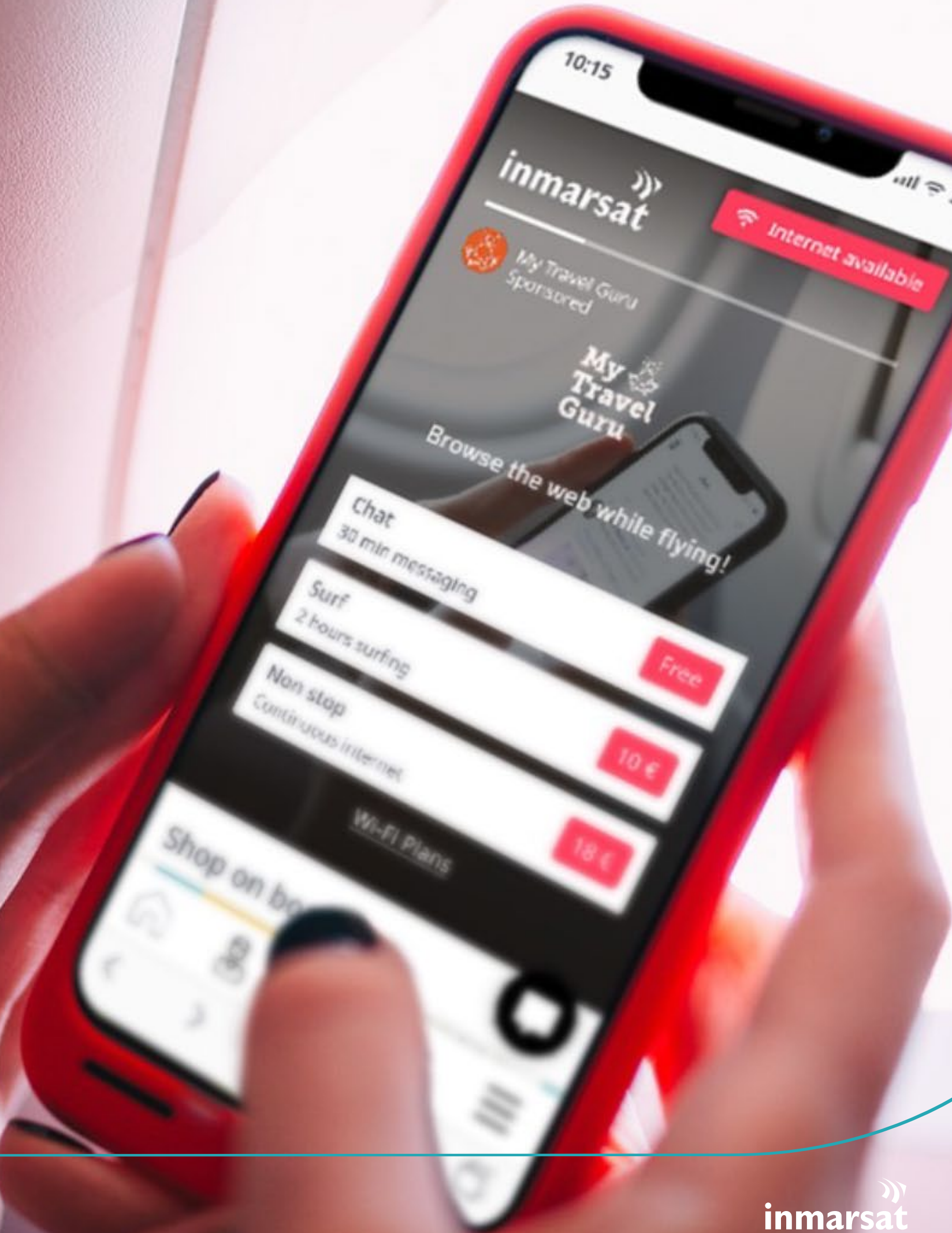
Media

Delivers two moving maps, live news, podcasts and magazines.



Loyalty

Adds a layer of customisation with frequent flyer programmes, air miles payment and other data integrations.





“ Reliable, no-added cost Wi-Fi is a key cornerstone of passenger expectations when they fly, with the quality of the connection and fair pricing being key. Providing such a service opens up a world of commercial opportunities and possibilities for airlines. ”

Niels Steenstrup,
President, Inmarsat Aviation



Contact

www.inmarsat.com/contact