

MAKING QUALITY COUNT BRING IT



2018 INMARSAT INFLIGHT CONNECTIVITY SURVEY – GLOBAL WHITEPAPER

Back for its fourth year, Inmarsat's annual Inflight Connectivity Survey is the world's largest poll of passenger attitudes.

Compiled in partnership with market research company Populus, the survey takes into account the responses of more than 9,300 airline passengers from 32 markets across Europe, Asia, the Middle East, Latin America and North America.

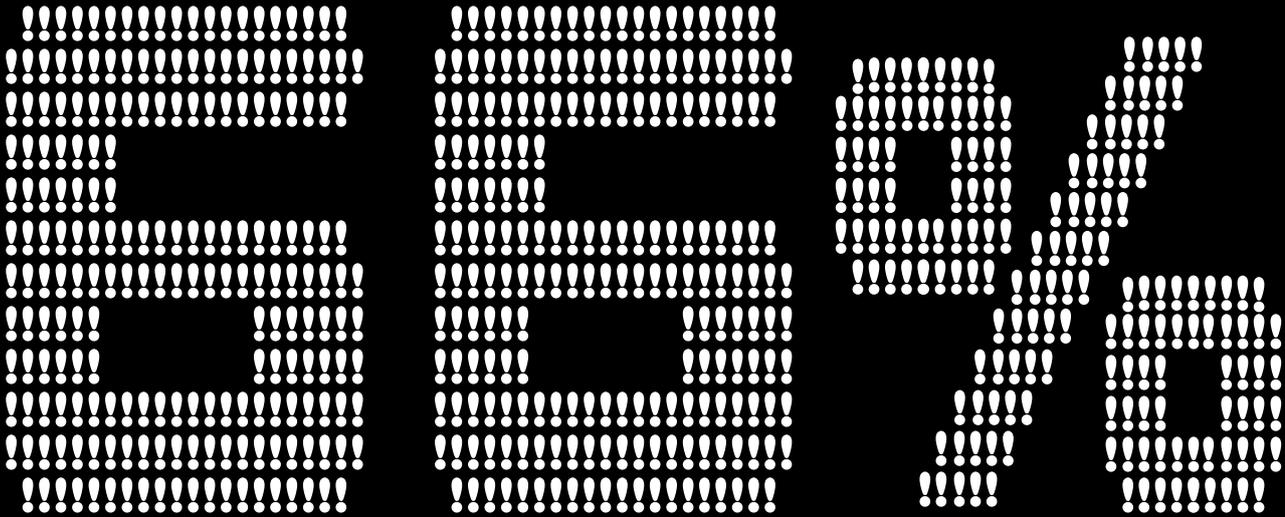
Today, we are more connected than ever before. Not only to each other but to our possessions and our homes. More than three quarters of respondents (78%) believe that Wi-Fi is fundamental to daily life with two thirds of those (66%) believing that inflight Wi-Fi is an absolute necessity, rising to well over three quarters of people amongst high value passengers (premium economy, 78%; business class, 81%; and first-class, 91%). The time for talking is over. In order for airlines to attract and retain customers, they need to start meeting the demand.



9,300

AIRLINE PASSENGERS FROM
32 MARKETS SURVEYED

OF THOSE WHO FEEL THAT WI-FI IS FUNDAMENTAL TO DAILY LIFE



ALSO BELIEVE INFLIGHT WI-FI IS AN ABSOLUTE NECESSITY

SOARING DEMAND FOR INFLIGHT CONNECTIVITY (IFC):

Inflight Wi-Fi is no longer considered a nice to have. It's an expectation. As one of the last places in the world to be completely connected, the global airline industry is on the cusp of a connectivity revolution. Almost four billion passengers take to the skies every year but, with varying levels of connectivity being offered across global airlines, only a quarter of planes offer some form of onboard Wi-Fi. The majority of airlines are still yet to deliver with just less than half of passengers surveyed (45%) having had access to inflight Wi-Fi in the last year. But demand for IFC is only going one way: up. Of those passengers that have had access in the last year, 65% chose to use it, and 55% of all airline passengers described it as a "crucial" part of their inflight experience.

Demand for connectivity is now so strong that passengers would prioritise it over most other inflight amenities. In 2016, our Inflight Connectivity Survey revealed that if passengers had the choice to select from a range of services, more than half (54%) would choose IFC over their inflight meal. This year, more than half (53%) told us they would even exchange their inflight alcoholic drink for access to inflight Wi-Fi. In fact, 81% of all passengers surveyed stated they would use the inflight Wi-Fi if it was available on their next flight, rising to 90% amongst business travellers.



53%

OF PASSENGERS ARE WILLING TO SACRIFICE THEIR INFLIGHT ALCOHOLIC DRINK IN EXCHANGE FOR ACCESS TO WI-FI



81%

OF PASSENGERS GLOBALLY WOULD USE INFLIGHT WI-FI IF IT WERE AVAILABLE ON THEIR NEXT FLIGHT

RIISING TO **90%** OF BUSINESS TRAVELLERS AND **91%** OF 18-30 YEAR OLDS

UNLOCKING THE BUSINESS POTENTIAL:

Inflight Wi-Fi offers a huge opportunity for airlines. In 2017, Chapter One of Inmarsat's 'Sky High Economics' study, in partnership with the London School of Economics, forecast the potential incremental revenue from broadband-enabled cabins. Using the latest IATA passenger traffic data and growth forecasts, including an expected near doubling of passenger numbers to 7.2 billion annually, the study estimated that broadband-enabled ancillary revenue will reach \$30 billion for airlines by 2035.

As well as opening up endless possibilities to generate ancillary revenues, airlines can unlock hours of unutilised productivity for businesses. According to this year's Inflight Connectivity Survey, three quarters of business travellers (74%) feel that inflight Wi-Fi is crucial, with almost nine in ten business travellers (87%) stating that if inflight Wi-Fi was available they would be



87%

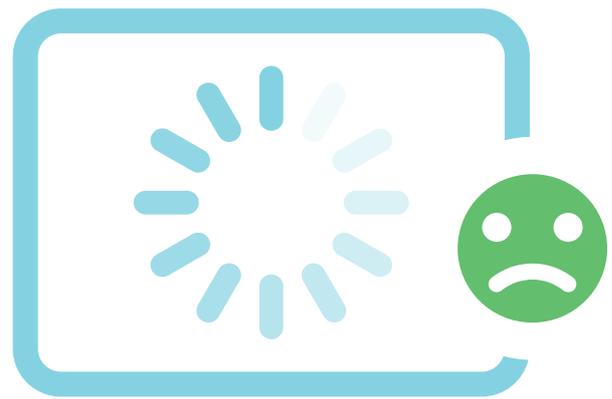
OF BUSINESS TRAVELLERS WOULD MAKE USE OF INFLIGHT WI-FI TO WORK

likely to work on a plane. In fact, well over half of business travellers (58%) already regularly use inflight Wi-Fi to download, read and send emails, rising to three quarters of business passengers seated in business (72%) and first (75%) class.

QUALITY EXPERIENCE REQUIRES A QUALITY SERVICE:

What is clear is that passengers globally aren't willing to compromise on quality. More than half of all those surveyed (54%) agreed that if only poor-quality Wi-Fi was on offer they would prefer not to have it at all.

Customer experience is king. Consumers are busier and more impatient than ever before, and as the demands on customers increase, the pressure on brands and businesses to get it right first time is mounting, particularly amongst millennials. With 91% of 18-30 year olds globally suggesting that they would use inflight Wi-Fi if it was available on their next flight, airlines should look to ensure their experience is a good one, providing an exceptional service. This is particularly vital amongst first time inflight Wi-Fi users, with 70% of passengers surveyed stating that they would be likely to recommend inflight Wi-Fi having tried it themselves.



54%

OF PASSENGERS AGREED THAT
IF ONLY POOR-QUALITY WI-FI
WAS ON OFFER, THEY WOULD
PREFER NOT TO HAVE IT AT ALL



70%

OF PASSENGERS WOULD
RECOMMEND INFLIGHT
WI-FI HAVING TRIED IT
FOR THEMSELVES

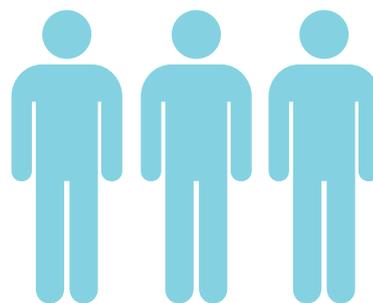
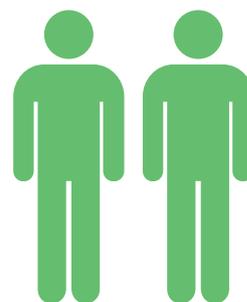
As demand for inflight Wi-Fi grows, so does the expectation that airlines will provide a high-quality service. But a standard service just won't cut it, as passengers are demanding a premium offering. Providing quality IFC is the key to unlocking loyalty and encouraging take-up, particularly amongst high value customers and younger generations. As passengers start using their time on a flight as an extension of their leisure or business time on the ground, a reliable service providing high-bandwidth, high-speed connectivity is vital.

POSITIVE EXPERIENCES DRIVE LOYALTY:

In a competitive market where margins are under increasing pressure, airlines must be clear on who their passenger is and what their preferences are. With the number of passengers due to almost double from 3.8 billion to 7.2 billion by 2035¹, and demand for onboard Wi-Fi rising every year, bringing high-quality inflight connectivity to aircraft provides a huge opportunity for airlines to differentiate themselves from the competition, as well as creating and retaining a loyal customer base.

This year's Inflight Connectivity Survey saw IFC ranked comfortably as the fourth most important aspect of the inflight experience to passengers globally, coming behind the airline's reputation, free checked baggage and extra leg room. More than two thirds of all passengers surveyed (67%) also stated that they would be more likely to rebook

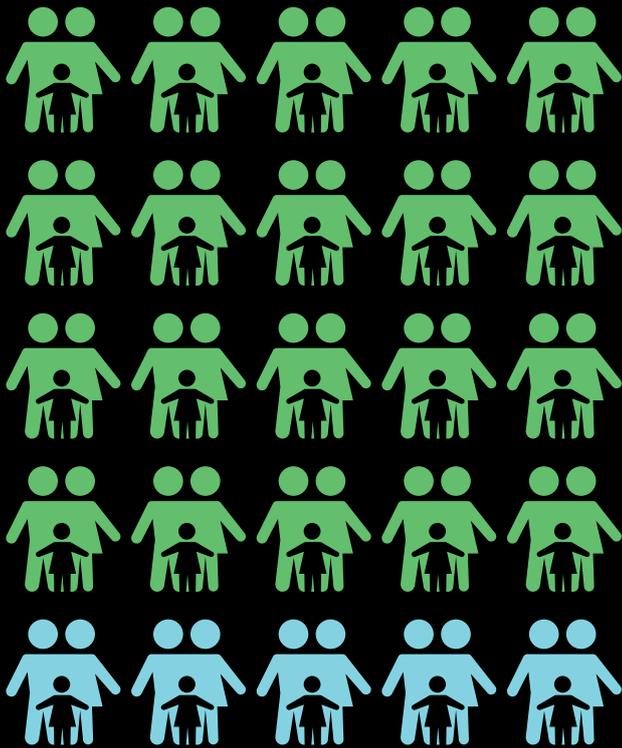
¹<http://www.iata.org/pressroom/pr/Pages/2016-10-18-02.aspx>



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OF PASSENGERS WOULD BE MORE LIKELY TO REBOOK WITH AN AIRLINE IF QUALITY INFLIGHT WI-FI WERE AVAILABLE

with an airline if high quality inflight Wi-Fi were available. This rises as high as 8 in 10 people amongst passengers most reliant on inflight Wi-Fi: those travelling with children and looking to keep them entertained (81%) and those travelling for business (83%).



81%

OF PASSENGERS TRAVELLING WITH CHILDREN WOULD BE MORE LIKELY TO REBOOK WITH AN AIRLINE IF QUALITY INFLIGHT WI-FI WERE AVAILABLE

This is perhaps most clearly represented in North America. Despite being the most mature market, passengers have had a mixed experience with the standard of Wi-Fi on offer, which might reflect why they are the least likely to recommend it to family and friends (60%), and only half (56%) would take it up on their next flight if it was available. Further to this, only 42% of passengers in North America stated that inflight Wi-Fi would make them more likely to rebook with an airline. This reinforces the need for a premium offering, providing a consistent, high-quality and reliable service that is centred around improving customer experience, ensuring that airlines get it right from the off.

INFLIGHT FUN:

In a crowded market where airlines need to stand out in order to land a booking, passengers are placing more emphasis on the 'added extras'. Ensuring passengers are provided with a reliable inflight offering is crucial, and with the positive evolution of passenger attitudes towards inflight Wi-Fi, it is clear IFC is a factor influencing passenger airline choice. For example, in 2016 passengers told us inflight Wi-Fi was more important than their meal, but now it's their inflight glass of wine. Staying connected during a flight is now so important to airline passengers that more than half (53%) would be willing to give up their inflight alcoholic drink to get online.

Nowadays it's almost impossible to go anywhere without seeing people with their eyes glued to their phone screens. Whether it's messaging on Whatsapp, scrolling through social media feeds or swiping on dating apps, consumers can't bear to be disconnected. Last year it was revealed that more than half of smartphone users globally spent more than five hours a day on their phones². That's almost 2,000 hours per year. Similar research has also found that millennials



57%

OF THOSE WHO HAVE BEEN ATTRACTED TO ANOTHER PASSENGER ON THEIR FLIGHT WOULD USE IFC TO ACCESS DATING APPS IN THE AIR

spend an average of 10 hours a week on dating apps alone. With more than a third of passengers (34%) admitting to having been attracted to another traveller on their flight, it's unsurprising that well over half (57%) wouldn't pass up the opportunity to swipe right to match with someone on the same flight.

²<https://www.counterpointresearch.com/almost-half-of-smartphone-users-spend-more-than-5-hours-a-day-on-their-mobile-device/>

SUMMARY:

In the increasingly connected world in which we live, Wi-Fi is fundamental to daily life. But while consumers are able to remain constantly connected on the ground, the skies present both a challenge and a huge opportunity for airlines.

With the number of passengers set to double by 2035³ and demand for onboard Wi-Fi growing exponentially, adding inflight Wi-Fi to an aircraft's onboard amenities should be a no brainer for airlines. Viewed as crucial by more than half (55%) of passengers globally, high-quality inflight connectivity not only differentiates airlines and drives loyalty amongst passengers, it provides a gateway for additional revenue generation through ancillaries.

Whilst the provision of Wi-Fi is now expected on aircraft, providing high-quality inflight Wi-Fi is the key to unlocking take-up. Particularly among high-value customers looking to use inflight connectivity to handle high-bandwidth tasks, a fast, consistent and reliable service will keep passengers coming back time and time again.



HIGH-QUALITY INFLIGHT CONNECTIVITY DIFFERENTIATES AIRLINES, DRIVES LOYALTY AND PROVIDES A GATEWAY FOR ADDITIONAL REVENUE GENERATION

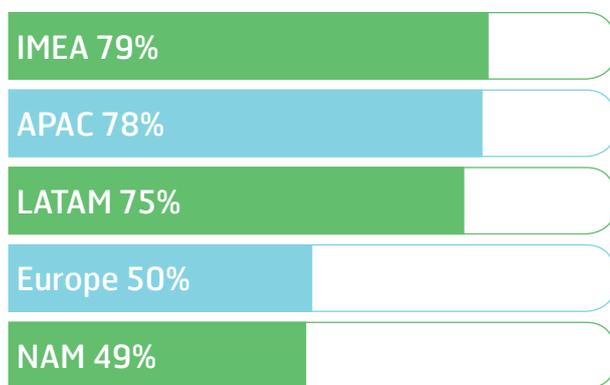
It is undoubtedly clear from the results of this year's survey that high-quality inflight connectivity is in demand and is already influencing choice of airline amongst passengers. As the only remaining place on earth to be largely connectivity free, airlines should look to meet the demand or risk losing out to their competitors.

³ <http://www.iata.org/pressroom/pr/Pages/2016-10-18-02.aspx>

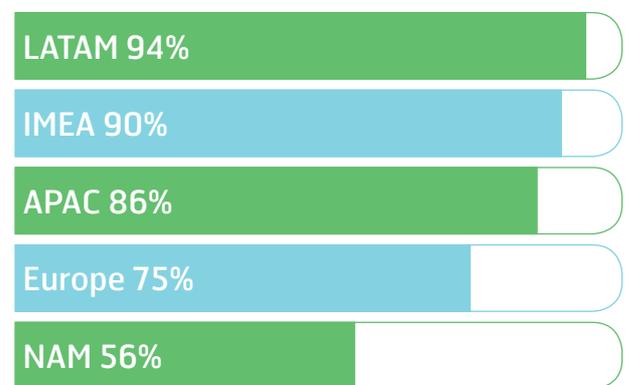
APPENDIX:

1. KEY GLOBAL COMPARISONS:

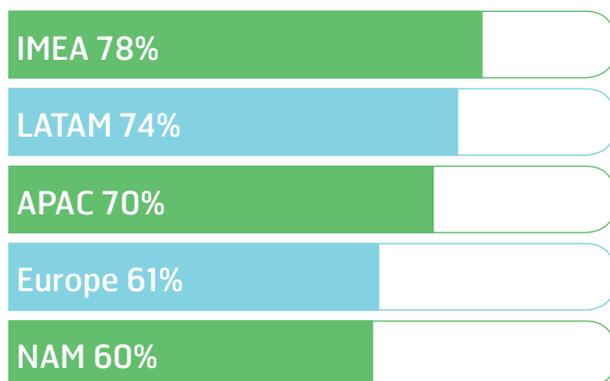
OF THOSE WHO THINK WI-FI IS FUNDAMENTAL TO DAILY LIFE, INFLIGHT WI-FI IS SEEN AS A NECESSITY:



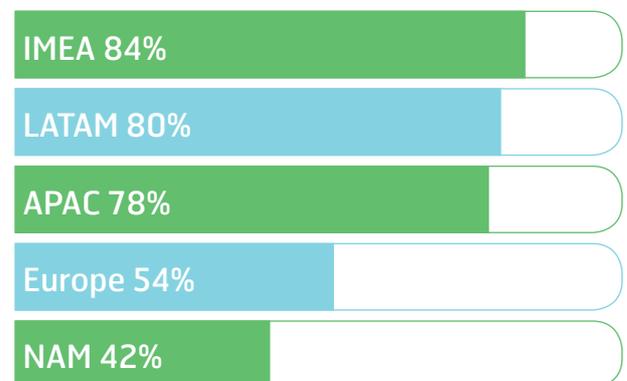
MOST PASSENGERS WOULD USE INFLIGHT WI-FI IF IT WAS AVAILABLE ON THEIR NEXT FLIGHT:



THE MAJORITY OF PASSENGERS WOULD RECOMMEND INFLIGHT WI-FI HAVING TRIED IT PREVIOUSLY:



PASSENGERS SAID THEY WOULD BE MORE LIKELY TO REBOOK WITH AN AIRLINE IF HIGH QUALITY WI-FI WAS AVAILABLE:



APPENDIX:

2. REGIONAL BREAKDOWN:

	APAC	EUROPE	IMEA	LATAM	NAM
Of those who think Wi-Fi is fundamental to daily life, X% believe inflight Wi-Fi is a necessity	78%	50%	79%	75%	49%
X% of passengers would choose to use inflight Wi-Fi on their next flight if it was available	86%	75%	90%	94%	56%
X% of passengers would prefer to have access to inflight Wi-Fi than inflight entertainment	62%	51%	60%	68%	38%
Of those that have used inflight Wi-Fi in the last 12 months, X% are likely to recommend using inflight Wi-Fi to friends and family	70%	61%	78%	74%	60%
X% of passengers said they would be more likely to rebook with an airline if high quality Wi-Fi was available	78%	54%	84%	80%	42%
Offering inflight Wi-Fi for purchase at the start of the customer journey is likely to see the most uptake (X% with ticket purchase; X% when checking in online; X% at cruising altitude; X% onboard before take-off; X% at bag drop)	67%, 68%, 63%, 62%, 51%	51%, 50%, 50%, 47%, 33%	75%, 77%, 76%, 73%, 66%	69%, 70%, 63%, 62%, 52%	45%, 44%, 44%, 41%, 27%
X% of passengers would prefer to pay for inflight Wi-Fi by credit card, more than any other payment	46%	42%	50%	50%	65%
X% of passengers would prefer to pay using a smart wallet	9%	1%	8%	1%	1%
X% of passengers would prefer to purchase a plan which provides them with access to Wi-Fi for their entire flight	56%	68%	57%	65%	61%
X% of business passengers are likely to work on a plane to be productive if inflight Wi-Fi is available	88%	72%	80%	84%	78%
X% of passengers would exchange inflight alcoholic beverages to have access to inflight Wi-Fi	51%	53%	49%	60%	66%
X% of passengers would exchange inflight tea and coffee to have access to inflight Wi-Fi	54%	41%	63%	46%	53%
X% of passengers globally have been attracted to another passenger on the same flight. Of those, X% of passengers would use an online dating app during the flight to match with other passengers	43%, 69%	24%, 47%	45%, 72%	42%, 51%	20%, 31%
Of those who admitted to being nervous flyers (X%), X% of passengers agreed that inflight Wi-Fi would help to ease their inflight anxieties by allowing them to remain in contact with friends and family on the ground	26%, 64%	17%, 36%	18%, 66%	25%, 56%	19%, 31%

Populus

Populus interviewed 9,341 adults online in 32 markets between 18th April - 14th May 2018. Populus is a member of the British Polling Council and abides by its rules. For more details go to www.populus.co.uk.

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