

## Southwest to enable Wi-Fi use on 737 fleet

January 30 2010, By Julie Johnsson

Southwest Airlines has finally decided to wire its Boeing 737 fleet for wireless Internet service after dabbling with the concept for two years.

The big question: Will the discounter offer its Wi-Fi service for peanuts?

Texas-based Southwest said Friday that it plans to begin outfitting its aircraft to handle Row 44's satellite-based <u>broadband service</u> by the second quarter of 2010.

Southwest will install equipment on about 15 aircraft per month initially and gradually increase that rate to 25 planes per month. It estimates that Wi-Fi will be available on the more than 540 planes in its fleet by early 2012.

In little more than two years, Internet service has become widely available on flights within the U.S. Itasca-based Aircell, the leading Wi-Fi provider, has installed its Gogo service on about 700 jetliners and earlier this month raised \$176 million to further fuel its growth.

Passengers have been slow to warm to the service, however. Forrester Research estimates that about 15 percent of passengers surf the Web on a Wi-Fi-enabled flight, although 80 percent of these users purchase Wi-Fi on subsequent flights

Some theorize that pricing practices are slowing adoption rates. Customers who are used to free Wi-Fi at neighborhood coffee shops may balk at paying \$12.95 to log on for a three-hour flight.



"There's no question airlines remain frustrated with some of the pricing of some of the vendors," said Henry Harteveldt, travel industry analyst with Forrester Research Inc.

Getting the price right is especially important for Southwest, which built its reputation on low fares and the concept that it doesn't nickel-and-dime customers. And while Southwest primarily operates short- to medium-length flights, survey data shows that passenger interest in <a href="Web service">Web service</a> is greatest on longer trips, Harteveldt said.

Southwest isn't saying much about what services it will offer through Row 44 or how they will be priced. The carrier said in a post on its "Nuts About Southwest" blog Friday that it is still testing a variety of price points for Internet connections on its flights.

"We'll have a decision on price in the second quarter of 2010 -- rest assured that, just like our fares, it will be a great value. You can count on it!" wrote Dave Ridley, Southwest's senior vice-president for marketing and revenue management.

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Citation: Southwest to enable Wi-Fi use on 737 fleet (2010, January 30) retrieved 9 April 2024 from <a href="https://phys.org/news/2010-01-southwest-enable-wi-fi-fleet.html">https://phys.org/news/2010-01-southwest-enable-wi-fi-fleet.html</a>

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