

Less than 10 percent of fliers use Wi-Fi

July 6 2010, By Dan Reed

Wi-Fi connections in the air may not be the magical service capability that some in the travel world had hoped.

Although airlines and providers of the service says they're pleased with consumer response, some analysts estimate that perhaps less than 10 percent of the passengers who could use [Wi-Fi](#) to log on to the Internet actually are doing so.

Even that estimate may be inflated by the heavy dependence on coupons and short-term introductory periods when the service is free, says consultant Michael Planey, who advises airlines on in-flight technology.

The biggest issue for travelers, Planey says, is the price.

"I believe the more successful business model is to reduce the session price as much as possible to drive usage up," he says.

Cal Lacasse, an [aerospace industry](#) sales executive from Flower Mound, Texas, who travels weekly, agrees that the cost is the biggest barrier: "I don't think it's worth the cost. Anything more than free is too much."

Gogo, the biggest Wi-Fi service provider in the air with eight big airlines as its partners, charges \$4.95 to connect to the Internet on flights of up to 90 minutes. The price goes to \$9.95 for flights up to three hours and to \$12.95 on longer flights. It now has a monthly rate of \$34.95 for use on all carriers it provides service to.

That could be too much even for some business travelers. The trade journal Business Travel News recently surveyed corporate travel managers and found that only about a third of the companies that responded reimburse their corporate travelers for in-flight Wi-Fi expenses.

The industry disputes the notion that Internet access on planes isn't taking off.

Wi-Fi access has been available only about 18 months and on only about 950 mainline commercial jets -- less than one-third of the U.S. fleet.

Michael Small, CEO of Aircell, which provides Gogo, says the "adoption rate is really fast compared to other businesses I know of that have rolled out new services and technologies."

Nearly 2,000 U.S. planes will be equipped by year's end. The rapid spool-up means revenue is surging. Consulting firm In-Stat said last Thursday that it expected revenue for Aircell and rival Row 44 to be about \$95 million this year, up from \$7 million last year.

Freelance photographer Art Meripol of Birmingham, Ala., says Wi-Fi isn't a matter of price, but of value. "Most of my flights are so short, there seems to be little value and little that can't wait till I land," he says.

There could be other reasons some travelers aren't logging on.

"I choose not to use Wi-Fi on a flight," says Bill Wahler, sales manager for a Chicago staffing firm. "I don't need to be connected 24/7/365. I may be a road warrior, but I have to have some 'me' time, too."

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