

Wi-Fi on board planes spurs innovation

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HAMBURG (Reuters) – Satellite technology to provide Wi-Fi on board planes has matured to a point where more and more airlines are looking to use it, triggering a "gold rush" among suppliers.

That brings opportunities for a vast array of companies, from satellite firms such as Viasat and Inmarsat, to connectivity providers such as Gogo, Global Eagle, and Panasonic Avionics and software and hardware companies such as Lufthansa Systems and Lufthansa Technik.

"It's like a gold rush feeling at the moment," Jan-Peter Gaense, head of passenger experience products & solutions at Lufthansa Systems, said at the Aircraft Interiors trade fair in Hamburg this week.

But as competition for a slice of the business intensifies, Gaense foresees a wave of mergers very soon, predicting that out of around 17 connectivity companies around today, only a handful would remain in the future.

Some are hitting bumps on the way. Gogo started with air-to-ground services but is now offering a satellite-based service. Customer American Airlines is de-installing Gogo systems in favour of Viasat after performance problems with the older ATG systems, which will weigh on Gogo's revenues this year.

"It's competitive but competitive in a growing market. It makes you all the more agile, keeps you on the edge of innovation," Gogo's Chief Technology Officer Anand Chari said at the Hamburg event, which drew a host of industry players.

Gogo is already looking into how it can make its existing hardware suitable for the next round of technology, which could see lower orbit satellites come into play.

Satellite company Inmarsat has had to cut its dividend so it can invest in Wi-Fi on board and its shares have been hit as investors worry that the business won't be as lucrative as once hoped.

"Everybody's trying to grab a piece," Panasonic Avionics' Chief Technology Officer David Bartlett said.

"This will separate the companies who are in it for the long haul, who can sustain a business, which are financially viable."

According to a 2018 report by Routehappy, which provides information on flight amenities, Wi-Fi is now accessible on 43 percent of all available seat miles worldwide, up 10 percent from early 2017.