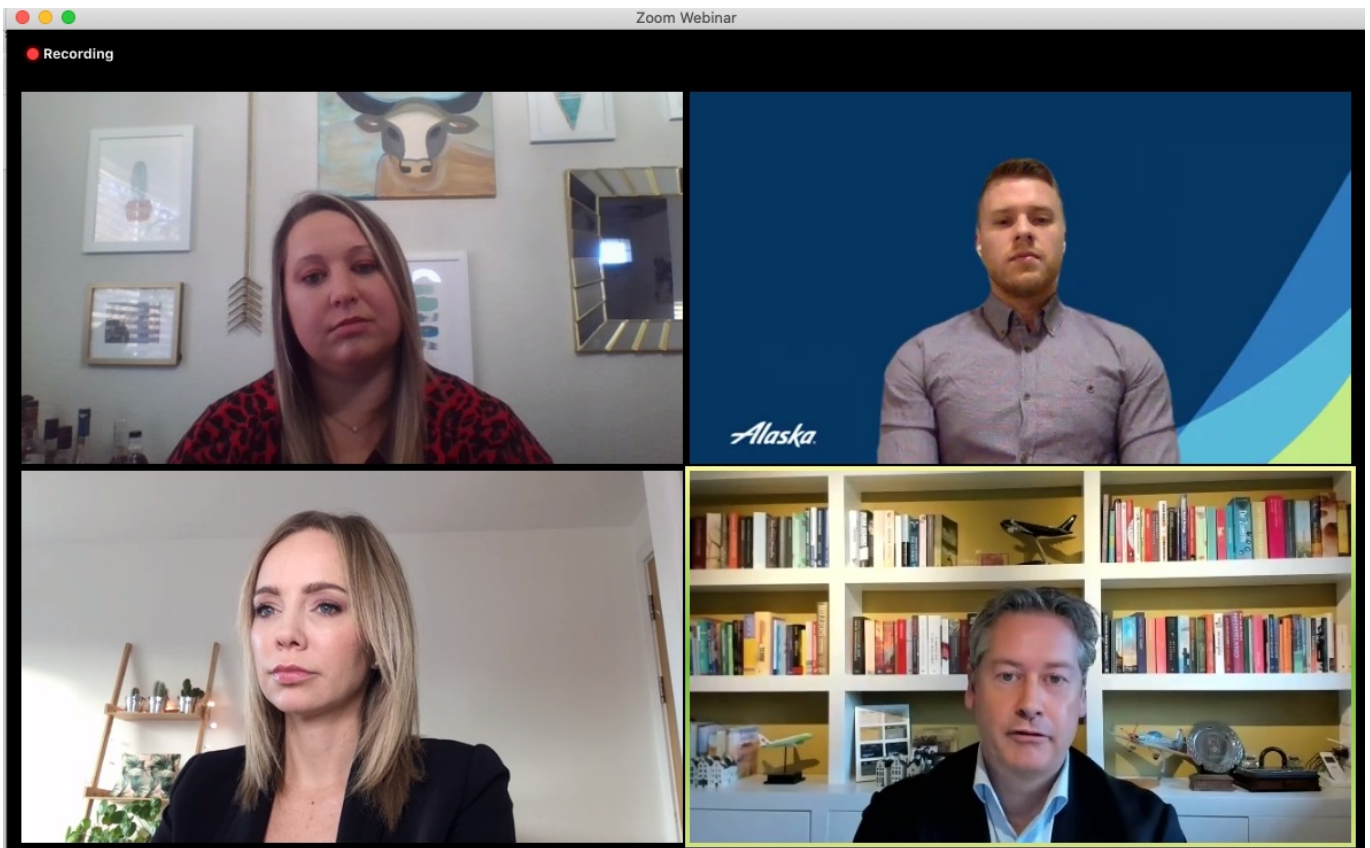


The business of IFC



Clockwise from left, Tara Bamburg, Derrick Cunningham, Frederik van Essen and Maryann Simson

On the first day of discussions at the [FTE APEX Virtual Expo](#), representatives from two US airlines and the newest entrant in the supply of inflight connectivity gave visitors their thoughts on the evolution of the business model of inflight Wi-Fi in a session called: *What is the business case for Inflight Connectivity advancement post Covid-19.*

The session was moderated by Maryann Simson, Director of [APEX Media](#). Panelists for the one-hour session were Tara Bamburg, Manager of Wi-Fi and Entertainment at [Southwest Airlines](#), Derrick Cunningham, IFEC Program Manager at [Alaska Airlines](#) and Frederick van Essen, Vice President Aero at [Intelsat](#), which purchased inflight Wi-Fi Provider Gogo in September.

Southwest's fleet of exclusively Boeing aircraft is outfitted with Wi-Fi and live TV supplied by [Global Eagle](#) for which the airline charges a flat fee of \$8 per flight, and is complimentary for premium passengers. Business travelers have dropped off drastically, "and the few customers that are traveling for business have a totally different mentality than those who would have traveled at the start of the year," said Bamburg.

Like most airlines in the United States, Southwest has not brought back alcoholic beverages for buy-on-board service, choosing to limit the amount of interaction between flight attendants and passengers.

Alaska Airlines has Gogo/Intelsat as a supplier of Wi-Fi and operates a tiered charging system for its passengers. It was in the midst of a retrofit when the pandemic hit. The airline has a full streaming

inflight entertainment service for passengers using personal electronic devices. Cunningham said Alaska Airlines is focusing on ease of access and reducing passenger's fears of touching items aboard the aircraft.

The pandemic has forced Alaska Airlines, like most, to focus on innovation. As the airline brings back food for purchase, a stored payment function has allowed passengers to purchase items like the airline's fruit and cheese platter. A crew messaging feature has been implemented to reduce the amount of time flight attendants have to spend in the aisle.

With passengers concerned about handling onboard media and other items, Cunningham said Alaska Airlines in the future will be focusing heavily on developing touchless policies and practices.

How the IFEC segment of the industry will emerge at the end of the pandemic took up a portion of the discussion, specifically the possibility of future vertical integration with fewer players controlling the supply chain for products and services. Following the acquisition of Gogo, Intelsat sought industry input on the impact of more vertical integration and how it could help simplify IFC services and decrease the selection risk and cost that airlines now face.

Looking across the industry, van Essen said research from Intelsat still shows a customer base that thinks the cost of inflight Wi-Fi remains too high and is too difficult for passengers to connect. A company like Intelsat that designs complex systems like satellite networks needs remain close to customers over a long term like an airline that acquires a new fleet that it will keep for decades, he said.

"You want to know that you are working with a party that is going to support you long term," van Essen added. "If you have a lot of fragmentation in the industry, the risk you face when choosing a partner in IFC is much larger and I think that is a hinderance to making choices. It also blocks innovation."