

Diversifying Inflight Wi-Fi Products to Drive New Profitability Using Data Analytics

By better aligning its inflight Wi-Fi packages, this European airline was able to grow onboard Wi-Fi sales revenue by 30%.

Company Profile

A European airline flying globally.

Demand for high-speed inflight connectivity is growing rapidly as more passengers fly with personal electronic devices, or PEDs. Many airlines are struggling to keep their text and Wi-Fi packages current and in line with how travelers use the internet. This company tapped Panasonic Avionics to reorganize its inflight Wi-Fi packages. Panasonic used a smart analytics-based approach to find the best possible combination of Wi-Fi service offers, which led the airline to better align itself with its customer demand.

13 of 37

routes generated
90% of total Wi-Fi
revenue

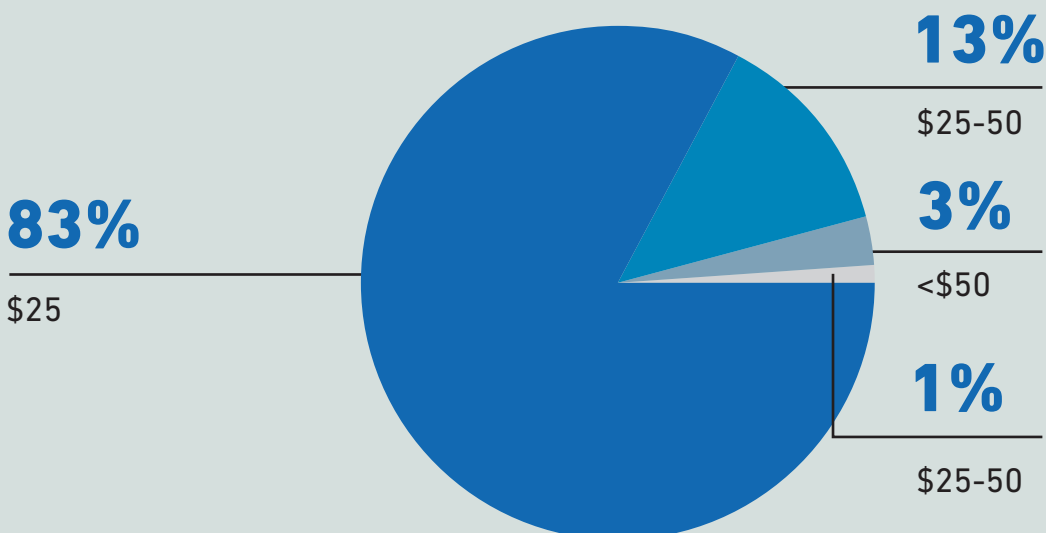
Popular routes for Wi-Fi:

Western Europe to West Coast U.S.

26.2%

of customers bought
multiple packages during
the same flight

RE-PURCHASERS' WILLINGNESS TO SPEND ON WI-FI PER FLIGHT:



The Challenge

This airline operates a number of long transoceanic routes. Passengers were eager to buy inflight Wi-Fi to entertain them on these long flights. The main problem was, the packages available were not suitable for the duration of their flights.

Ultimately, most of the customers who bought Wi-Fi packages kept maxing out on their allowable data, and had to keep repurchasing packages. This was a frequent source of friction and customer dissatisfaction, giving the airline's connectivity product a low net promoter score (NPS).

Panasonic's Approach

GLOBAL ADVANCED ANALYTICS

Big data modeling
& advanced
analytics experts

CONSUMER MARKETING

Customer relations,
marketing collateral
development
experts

Two Panasonic teams—Global Advanced Analytics and Consumer Marketing—came together to deliver a data-forward approach to solving this airline's problem. The teams looked at two years of historical data, involving each session the airline sold on each of its aircraft that use the Panasonic Avionics network.

By using advanced statistical modeling, willingness to spend analysis, price sensitivity analysis, and global market analysis, they devised a new suite of Wi-Fi offerings airline customers would be most likely to buy.

The Solution

Based on the analysis of passenger behaviors and Panasonic's recommendations, the airline reconfigured the data allowance and price points of its inflight Wi-Fi packages.

The new better-defined offering allowed passengers to choose the package most

suitable to their needs creating a more seamless experience. Passengers were able to stay online longer without having to keep repurchasing packages to achieve what they wanted to do.

INFLIGHT WI-FI PACKAGE OFFERINGS

OLD

Wi-Fi Lite (40MB) at

\$6.25

Wi-Fi Extra (150MB) at

\$18.80

NEW

Messaging Pass (20MB)

\$3.75

Surf Pass (150MB)

\$16.30

Wi-Fi Extra (500MB)

\$37.60

How We Implemented It



Panasonic worked with the airline's inflight services and analytics teams to agree on final product mix. We then coordinated with the airline's wireless internet service provider (WISP) to implement price changes.



Panasonic's Wi-Fi pricing recommendation was implemented across the airline's entire fleet—including on aircraft where the connectivity was managed by a competing Wi-Fi provider.

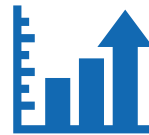


Worked with the airline and within Panasonic to develop a marketing plan to communicate and promote the new offerings.

The Results



The airline's new pricing came into effect on **Q1 2019**.



After monitoring the performance of the new Wi-Fi packages for a year after the implementation took place, the airline saw a **30% increase** in Wi-Fi revenues.



The average price sold is higher as customers increasingly choose packages that reflect **their desired usage**, not their minimum usage.



Customer complaint volumes fell and package repurchase rates dropped.

Panasonic

Panasonic Avionics Corporation