



Valour Consultancy's Latest IFC Report Projects Commercial Aviation IFC Installed Base Will Double By 2029 Despite COVID-19

LONDON, UNITED KINGDOM – February 9th 2021 - A new report from Valour Consultancy, an award-winning provider of market intelligence services, foresees the number of aircraft installed with in-flight connectivity (IFC) doubling from 9,026 at the end of 2020 to approximately 18,500 in 2029. These figures factor in the full impact of COVID-19, including the cancellation of retrofit projects and delayed deliveries of new aircraft.

The report, *“The Future of In-Flight Connectivity - 2020 Edition,”* predicts that over the next two years, the installed base will grow slowly, by around 800 aircraft, marking a 70% decrease in net new installs across the period compared to pre-COVID-19 estimates. The majority of these IFC systems will be linefit. “The pandemic has caused airlines to defer new wide-body deliveries, postpone IFC retrofit programs and to retire older aircraft in favour of smaller, more agile and fuel-efficient planes. Despite this, low level activity is still expected, with 70% of net new IFC installations between now and 2022 to take place on narrow-body jets,” explains its author, Daniel Welch.

The study looks beyond COVID-19 and provides detailed commentary on factors that will help to create a more sustainable IFC business model as the industry begins to recover. “IFC service providers are going to find new wins hard to come by over the next couple of years as airlines rein in their spending. But there is plenty to do in terms of delivering a better quality of service to existing customers,” says Welch. “The pandemic is driving change in the passenger experience and many airlines are using this period to revisit their digital strategies. It’s clear we’re going to see a greater emphasis placed on contactless interactions, customer reassurance and the seamlessly digital journey. IFC can, at the very least, enhance many applications linked to these areas and, as a result, will become more integral to airlines than before the pandemic hit.”

The “captive portal” is another subject explored in the report. It cites how the likes of American Airlines, Cathay Pacific and others are taking ownership of IFC services by introducing portals that harmonise what the passenger sees and embrace a holistic approach to loyalty and onboard retail services. Welch continues, “In the past, passengers flying with an airline that has multiple IFC services in use across its fleet have typically been exposed to the nuances of these deals, paying different rates based on the hardware/service onboard, be it from Gogo, Inmarsat, Panasonic or Viasat. Having a harmonised experience reduces friction during the login process, but also drives ancillary opportunities. Deploying an engaging portal is an achievable short-term win for carriers that already have IFC or wireless IFE that will continue to drive long-term growth.”

Valour Consultancy is a provider of high-quality market intelligence. Its latest report, *“The Future of In-Flight Connectivity - 2020 Edition,”* is the newest addition to the firm’s highly regarded aviation research portfolio. Developed with input from more than 30 companies across the value chain, the study includes more than 200 tables and charts along with extensive commentary on key market issues, technology trends and the competitive environment.

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