



iPass Inflight Wi-Fi 2010 Survey Results

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*"One can live an hour without Wi-Fi, but, always on,
always available, makes for a real service."*

Source: iPass Inflight Wi-Fi
Survey customer comment
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Executive Summary

A survey conducted by Wakefield Research for the Wi-Fi Alliance in 2009 stated that inflight Wi-Fi was fast becoming a valued airline service among business travelers. A total of 76 percent would choose an airline based on the availability of in-flight Wi-Fi. It also showed that 55 percent would shift their flight by one day if it meant having in-flight Wi-Fi and 71 percent would opt for a flight with Wi-Fi access over one that provided meal service.

In terms of business productivity, the survey said that Wi-Fi also helps business travelers manage their workload, as 82 percent said inflight Wi-Fi would help them stay on top of projects and 50 percent of business travelers frequently take a “red-eye” flight because they must be reachable during business hours.

Nearly all respondents in this research, 95 percent, said that Wi-Fi access would make them more productive.

In a separate survey to their travelers in 2009, Virgin America also found that over half said that the availability of Wi-Fi would influence their choice of airline.

Another 2009 article, by the Boston Globe, noted that airlines will start to view inflight Wi-Fi as a necessary amenity as part of a competitive package.

To better understand the trends shaping inflight Wi-Fi usage in 2010, iPass recently conducted a survey of over 2,400 mobile employees who rely on the iPass Mobile Network service for their connectivity needs. Respondents were asked about their experiences using Wi-Fi on commercial flights and the devices they prefer to use. The results of this study are examined in the following sections.

Industry Challenges

On January 27th 2010, the International Air Transport Association (IATA) published its full-year 2009 demand statistics for international scheduled air traffic. The report indicated that the year 2009 experienced the largest ever post-war decline in air travel. Passenger demand for the full year was down 3.5%. “In terms of demand, 2009 goes into the history books as the worst year the industry has ever seen. We have permanently lost 2.5 years of growth in passenger markets,” stated Giovanni Bisignani, IATA’s Director General and CEO.

Despite the magnitude of the decline, it is estimated that 2.3 billion passengers flew safely on 37 million flights during 2009. And the IATA 2010 forecast for airline travel projects an increase of +5.6% in travel over the previous “down” year. “The industry starts 2010 with some enormous challenges. The worst is behind us, but it is not time to celebrate. Adjusting to 2.5 to 3.5 years of lost growth means that airlines face another spartan year focused on matching capacity carefully to demand and controlling costs,” said Bisignani.

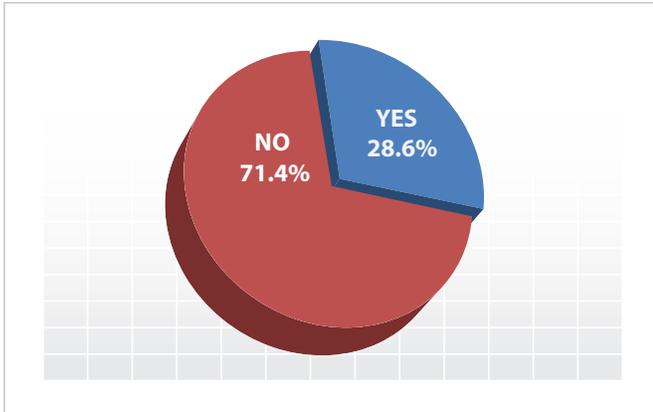
To cope with these challenges, many airlines are now focused on attracting a larger percentage of the traveler base by providing new services to passengers, including inflight Internet access. More and more inflight Wi-Fi services are now popping up on commercial airlines throughout North America, and several new services have recently been announced in Europe and the Middle East. These services will provide great benefits to enterprises and mobile employees, enabling them to recapture lost productivity time when traveling via commercial airlines.



Inflight Wi-Fi Usage Just Beginning

Inflight Wi-Fi use is in the earliest stages of adoption. According to the iPass Inflight Wi-Fi 2010 Survey, as of April of 2010, only 28.6 percent of mobile workers have ever used inflight Wi-Fi:

Question 1: Have you used inflight Wi-Fi yet?



Although only deployed on limited routes, demand for inflight Wi-Fi is strong.

These results show a good early penetration of inflight Wi-Fi usage, given that there is currently only one major vendor providing this service, the decline in passenger travel during 2009, and that this service is still only offered by two carriers on all flights: AirTran Airways and Virgin America. The survey results – in addition to hundreds of iPass customer requests for inflight Internet service – are key indicators of the increasing demand for inflight Wi-Fi.

iPass Inflight Wi-Fi Survey comments:

“Being out of contact for large periods can be problematic, especially at end of quarter.”

- a regional architect

“If I was on call while flying, I could respond to alerts if VPN’ed in to our corporate network. I could also get good work done on long daytime flights (at night I would just sleep).”

- a technology company employee

“In an emergency, it would allow you to continue with travel plans and still provide critical support.”

- a director, order fulfillment

“Flying out of a smaller airport means connections and getting to a destination (even a relatively close one) may take an entire day. Inflight Wi-Fi means I can stay productive during all legs of my trip.”

- anonymous

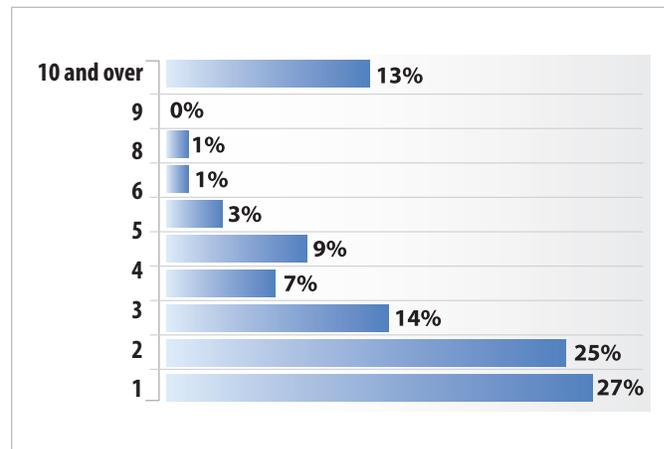
“There are always things that can be done if connected during a flight.”

- a senior applications engineer

“More and more often, critical business resources are only available online.”

- a services company employee

Question 2: If you have used inflight Wi-Fi, how many times have you connected?



Inflight Wi-Fi use is mostly infrequent but for a growing segment of flyers the service is becoming addictive.

Of the survey respondents that have used inflight Wi-Fi, over two-thirds (66 percent) have used it just 1-3 times. But a few travelers have already become addicted to the service, with 13 percent of inflight Wi-Fi users claiming between 10 and 500 connectivity sessions!

iPass customer usage reports indicate that if a person is traveling greater than three times a year, they are generally considered to be business travelers. This market segment is where early adoption is starting to take hold.



iPass Inflight Wi-Fi Survey comments:

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"I had a great experience all three times that I used inflight Wi-Fi. It allowed me to communicate and be productive."

- a director of operations and programs

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"Inflight Wi-Fi has been extremely useful - SFO-JFK on UAL; SFO ATL DELTA; SFO LHR VIRGIN. I would love to use iPass."

- a corporate vice president

Question 3: Have you ever NOT used inflight Wi-Fi, even though the service was available on your flight?

Options	Response Percent
I did not know it was available	34.5%
The service is too expensive	27.2%
I had no reason to use it at the time	22.4%
My laptop was not easily accessible or had insufficient power	9.9%
I always use inflight Wi-Fi	6.6%
The credit card payment method was inconvenient	6.1%
It was available but did not work	3.3%
My previous experience was not good	0.8%
Other	12.8%

Flyers are frequently not aware that inflight Wi-Fi services are available.

(Please note: multiple answers were allowed for this question, thus responses do not add to 100%.) Although 22.4 percent of respondents said they had no reason to use inflight Wi-Fi – the converse is that over 77.6 percent DID have a reason to use it and 65.5 percent DID know it was available! Even more positive for early adoption is that there is a less than 1 percent dissatisfaction rate with the Wi-Fi service during the flight.

iPass Inflight Wi-Fi Survey comments:

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"Inflight Wi-Fi has been great over the past six months. The reliability has been great."

- a corporate account representative

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"It seems most inflight Wi-Fi services, while not strictly requiring it, seem to be quite cumbersome to begin using the service unless you have signed up for an account before boarding the plane. If I could simply use my iPass credentials to log in quickly, or perhaps even be able to choose the option of Wi-Fi service when purchasing my ticket and use a one-time code to login, this would make the experience more streamlined. Thank you for asking for our opinions!"

- a systems analyst

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"At times I need to connect immediately with the corporate headquarters to convey latest information."

- a senior principal engineer

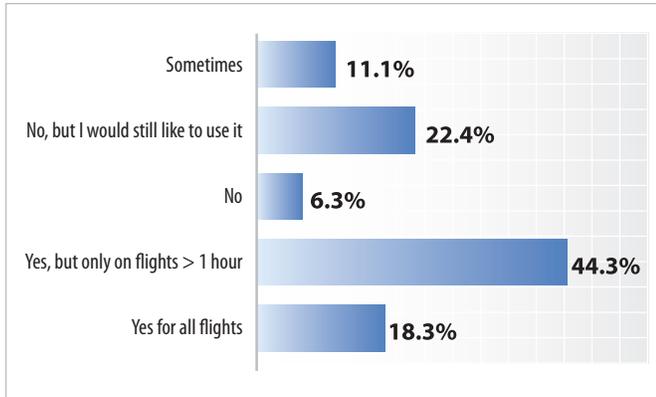
To date it appears that lack of awareness (34.5 percent were unaware that the service was available) and high cost (27.2 percent thought it was too expensive) are the key barriers to adoption. With the new iPass inflight Internet service, the inconvenience of payment is removed as the service is part of the iPass Mobile Network offering and the availability to all U.S. iPass customers will be a catalyst for usage and growth.



The Increasing Importance of Inflight Wi-Fi

The iPass Survey uncovered a resounding demand for inflight Wi-Fi, with 62.6 percent of respondents saying that Wi-Fi was critical for meeting business needs, especially on flights over one hour.

Question 4: Do you think inflight Wi-Fi is crucial to support your business needs?



Inflight Wi-Fi has rapidly become a critical business tool.

Over 62% say that inflight Wi-Fi is crucial to their needs (44.3 + 18.3 percent), which is supported by the increase in growth of all mobile devices and customer feedback of the need to “always be online.”

iPass Inflight Wi-Fi Survey comments:

“We were able to bring our disaster recovery site online while inflight. We were just testing, but it’s worth it!”

- an IT director

“Inflight Wi-Fi is crucial so that I can send e-mails and conduct research during long flights so that I don’t miss a step while I am in the air!”

- a business development manager

“Inflight Wi-Fi is awesome. I can sync all my email messages and respond to them. If I am connected, I have better control over the communication during the long flight journey.”

- a project manager

“Time on an airplane is time spent away from the stock market and the client base I serve. I have been known to take red eye flights just so I won’t be away from the office during working hours. Inflight Wi-Fi is a much needed boost to productivity.”

- an investment firm principal

“Benefits: good use of idle time, ability to communicate through email and chat during flight time.”

- a consultant

“Getting work done on a plane is a godsend.”

- a CEO

“We have a very mobile user base that would benefit substantially by remaining in touch and able to work while flying.”

- a manager of network services

“I loved being able to use chat programs so I could still talk to my team while I couldn’t use a phone.”

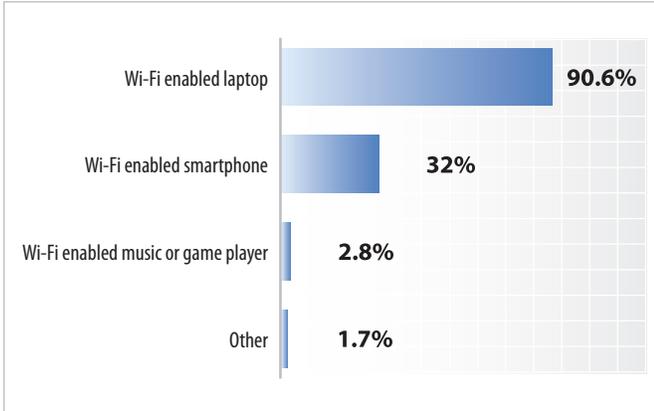
- a manager, guest marketing services

“Inflight Wi-Fi makes you less of a hostage in the airline cocoon.”

- a senior fellow



Question 5: When using inflight Wi-Fi, what device would you use most often?



Even with rapid smartphone adoption, the laptop is the device of choice inflight.

The vast majority of respondents (90.6 percent) indicated they would most often access inflight Wi-Fi via a laptop, followed by a smartphone at 32.0 percent. As a comparison with other iPass usage report statistics [see: [iPass Mobile Workforce Report](#)], these survey results validate that laptops are still considered the device of choice by mobile as well as inflight workers – AND roughly one third also have smartphones showing a trend to dual device needs.

iPass Inflight Wi-Fi Survey comments:

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"I will use inflight Wi-Fi on long flights, on business days, if I have seat power."

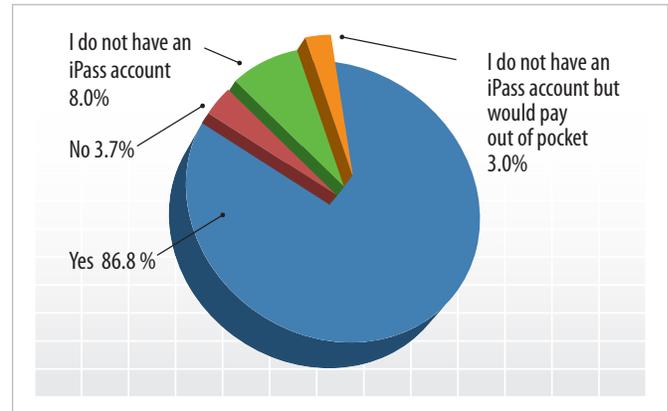
- a chief of staff

.....
"I would like to have it on flights longer than two hours... anything shorter just isn't worth the hassle of getting the laptop out."

- a specialist,
business process improvement

When prompted for device name when "other device" was selected, interestingly the Apple iPad was mentioned 14 times, even though the device was not released until a few weeks after the survey was completed!

Question 6: Would you use this service if it was available through your iPass corporate account?



There is high customer demand for inflight Wi-Fi to be added to the iPass Mobile Network service.

A resounding majority of respondents (86.8 percent) indicated that they would use inflight Wi-Fi on future flights if it was part of their corporate iPass Mobile Network service.

As the majority of respondents were iPass users, the demand for additional inflight Internet service is clear across this audience of mobile employees of our enterprise customers. As iPass adds inflight Internet to its Mobile Network, iPass customers will be able to take advantage of a new solution for lost productivity during air travel continuing towards the goal of "always on, always connected."

iPass Inflight Wi-Fi Survey comments:

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"I would use this frequently if available through iPass. I love in-flight Internet access. I am so productive!"

- a field engineering specialist

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"The first time I used it, I requested Gogo Inflight to arrange payment through iPass because it minimizes the effort I have to apply to get my company to pay for it. With iPass I never have to file paperwork, but currently I do. I will be using this on future flights - but not until it is supported by iPass."

- a product manager

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"Inflight Wi-Fi was easy to use. I was hoping that iPass would make it available to simplify the billing."

- a network consultant



Summary

Wherever business takes employees today, they need to be able to easily connect to the Internet and back to their corporate networks. With inflight Wi-Fi, business travelers can effectively and productively use their time in the air to send email, conduct research, communicate to colleagues through chat, respond to alerts when “on call”, and even bring a disaster recovery site online.

Most corporations now realize that giving “nearly everywhere access” to their mobile employees will make them far more productive than those who wait to utilize field office computers or their hotel rooms after work hours. **Enterprises also understand that if they provide the mobility service, they can enforce corporate VPN and endpoint security policies, while managing mobile usage through detailed insight reports.**

This new generation of mobile employees has come to expect the ability to work however, wherever, and whenever they want. But keeping workers mobile and productive requires multiple types of connectivity. In a single day, the same mobile user may connect at home, in the office, in a taxi, at a client site, from a hotel or airport – and now from an airplane – using a variety of devices and access technologies. As a result, **IT organizations struggle with many connectivity challenges** and, unfortunately for most enterprises, mobility management is chaotic, unpredictable, expensive, and out of control. There are several factors contributing to the chaos, including:

- Employees use many different device platforms, are located in many different geographies, and often will do “whatever it takes” to get connected
- A variety of enterprise-owned and employee-purchased devices and carrier subscriptions complicates management and drives up costs
- Users suffer from the confusion and complexity caused when choosing from a multitude of wireless networks, including 3G, 2.5G, and emerging 4G, as well as free, commercial, home, and corporate Wi-Fi technologies
- Multiple forms of access increase information security concerns and integration headaches

The iPass Inflight Wi-Fi Usage Survey reveals that mobile employees want simple, secure, and seamless access to inflight Wi-Fi – without setting up an additional account, entering credit card information, or filling out an expense report. In fact, an amazing 86.8% of the respondents in the survey would use Wi-Fi in this manner if it was made available on their corporate iPass Mobile Network.

To simplify the inflight Wi-Fi experience, iPass is now offering a new service as part of the iPass Mobile Network. Existing iPass customers and their enterprise workers can now use a single login with unmatched broadband access across the world’s largest multi-technology mobile access footprint, unifying 3G mobile broadband, 140,000 Wi-Fi hotspots, hotel Ethernet dial-up across 160 countries – as well as iPass inflight Internet access on more than 825 commercial aircraft in the U.S. This new offering includes powerful mobility management services that can be overlaid onto an existing iPass network, or onto the customer’s own connectivity fabric, providing the ability to **easily create and manage tailored mobility solutions across any network and device.**

As the mobile workforce continues to demand multiple devices and “always on, always connected” services, iPass provides the ideal solution – at home, the office, or in the air. One iPass customer in the Inflight Wi-Fi Survey, a university professor, summarized the inflight Wi-Fi experience as, **“One can live an hour without Wi-Fi, but, always on, always available, makes for a real service.”**

About iPass

Founded in 1996 iPass (NASDAQ:IPAS) is a leading provider of enterprise mobility services with over 3,500 customers, including more than 370 of the Forbes Global 2000. The company’s mission is to be the voice of the enterprise in the market for mobility services by providing solutions that simply, smartly and openly facilitate access from any device on any network, while providing the visibility and control necessary to contain spiraling mobility costs, maximize mobile user productivity and maintain security in a world where consumers drive enterprise IT.

For more information, visit www.iPass.com or follow iPass on Twitter at www.twitter.com/iPass



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