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January 2003

-- ADVERTISEMENT --

Sipping Email Through A Straw

[Rafe Needleman](#) [[AlwaysOn](#)] | POSTED: 12.04.03 @00:10



Next time you're [crammed into an airline seat](#) feeling bored and out of touch, take a look at the seat-back phone a few inches from your nose. If it's got the [Verizon](#) brand on it, chances are you can use it to get your e-mail. And without making an

expensive, slow, and problematic modem connection to your ISP on the ground. Instead, if your plane is equipped with technology from the startup [Tenzing](#), you can connect your laptop directly to a server running on the airplane itself, which will grab your e-mail via its own air-to-ground data link.

Verizon resells Tenzing's product as 'JetConnect,' and it's installed now on 879 airplanes, most of which are in service with United and Continental. It'll cost you \$15.98 per flight (not per minute or per connection, as voice calls are billed), to get access to your landlocked e-mails, although there are some restrictions.

I talked with Tenzing CFO Alex Duff recently, and we spoke about some of these restrictions and about his business, which started in 1999 with the grand goal of becoming the 'ISP in the sky.' Today it's been re-sized into this nice e-mail service, but like most companies trying to make services for mobile phone users, Tenzing has found itself somewhat hemmed in by the relationship

with its carriers.

Technologically, Tenzing's solution is both clever and lightweight—an [important consideration for airplanes](#). Unlike other data systems for planes, like [Boeing's Connexion](#) and a now-defunct system sold by AT&T, equipping an airplane with Tenzing service doesn't require any new hardware. Instead, when a user plugs a laptop into an airphone to use JetConnect, they dial the Verizon server that's already on the plane to handle the voice airphone calls—and that's as far as their computer's modem reaches.

The passenger has to tell the server what his or POP e-mail settings are, and then the server goes and fetches the e-mail (headers only for large messages) over its own slow but reliable 9.6kbps link. The JetConnect server checks e-mail every few minutes and the user can read and reply via a Web interface running on the airplane. Large e-mails cost extra (10 cents a kilobyte for each message or attachment over 5k), but the user doesn't get charged for them unless he or she explicitly decides to download them. The system can also handle instant messaging via its proxy, as well as sending and receiving SMS messages.

Clearly this isn't like gulping down megabytes of e-mail from an office LAN, nor will it be like using Connexion, which will give users high-speed direct Internet access from their seats. But Connexion is comparatively expensive and complicated to install, and while [several airlines plan](#) to roll out the system, at the moment it is not in wide release on any airline.

I admire the Tenzing solution because it seems to be just enough of what serious e-mail users need, and it has the added advantage, for the airlines, of not requiring lengthy hardware installation that directly impacts an airplane's profitability. Tenzing is 25MB of software—not 500 pounds of hardware.

For Tenzing, this lightweight solution works. It will likely be installed on more than 1000 commercial airliners next year—and that's out of the about 4,800 planes flying that have passenger phones installed, either air-to-ground or

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air-to-satellite. (There are about 11,500 commercial aircraft in service worldwide.) So Tenzing has impressive market penetration. Alex says that next year his product will be "an arm's length away from 110 million people."

One thing Tenzing doesn't have, though, is either a way to reach potential consumers directly, or get good feedback from them. Tenzing has neither the budget nor the charter to market to its end-users. That job falls to Verizon and other carrier customers. Sadly, so many airphone users (like me) were badly burned by the ridiculous cost and terrible quality of early airphones, so they simply ignore the phones in front of them. Somebody has to educate potential users about the phones having finally become useful.

Similarly, while Tenzing gets a nice revenue share from JetConnect calls, it doesn't get direct feedback from the users. So although Alex suspects that the \$15.98 per-flight cost for JetConnect is a little high, he has no data to back it up. Tenzing, despite its clever technology and business model, is flying blind.

For a company that admits to being out of touch with its end-users, Tenzing is doing a great job winning market share. It's not a technologically dense solution like its competition. But it appears to be just the right amount of technology, marketed at just the right time.

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Long-time columnist Rafe Needleman is currently an analyst for [Innovent](#), an innovation unit in Nokia. The views expressed are not necessarily those of Innovent or of Nokia. [E-mail Rafe](#).

(1105 views)

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Fast Facts

[Tenzing](#)

CEO: Alan McGinnis

HQ: Seattle, WA

Founded: 1999

Employees: 55

Funding: \$90M in five rounds. [Airbus](#), [Bockwell Collins](#) are strategic

investors.

Profitable? Projected cashflow break-even by end of next year.

Market: Remote e-mail access

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I think Tenzing is doing a great job with business development but is not paying attention to the maxim that without marketing, partnerships fail.

It would not be a deal breaker to require the carriers to post a neat sign on the back of the seat phone with an explanation. And the flight attendants' spiel is always a good place to script a mention. All these things are virtually cost-free.

As for the price of the service, the first problem is not the price per se but knowing if it's worth it. Why not allow fliers a first free usage (for a whole flight) for the first 25 users on each flight, making sure you get a credit card signup?

I would even run a promo through Amex Platinum users, for example; the premium card vendors are always looking to offer perceived value for what they charge in annual fees.

Tenzing has a fundamental problem of being an interim solution. Fliers are already getting a taste of interactive video on every seat, and ultimately they will gulp up a broadband experience and that will be a

real profit center (or valuable added feature) for the airlines. But the airphone seatbacks aren't going away soon and so there is a window of opportunity.

I would leverage every last bit of opportunity to maximize visibility through creative deal making and strategic marketing efforts.

Riggs Eckelberry | POSTED: 12.04.03 @06:28 | I rate this blog: [4]

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