

Consumer Interest for WiFi Strong – At the Right Price

ForceNine Consulting finds surprising results after conducting most comprehensive study to date

Washington, DC – March 12, 2003 – ForceNine Consulting, a leading telecommunications industry consulting firm, announced today it will release a study entitled “The Market for WiFi HotSpots: Consumer Behaviors and Relationship with 3G” at this month’s Cellular Telecommunications and Internet Association trade show in New Orleans, LA. After completing its analysis, ForceNine Consulting identified three results of particular interest to the industry:

- Demand for WiFi is quite strong for consumers of all ages, while skewing towards males and business travelers
- Consumer demand for WiFi is highly price sensitive
- Diffusion of WiFi hot spots may cannibalize the growth of 3G cellular services, while creating new service opportunities for cellular/PCS carriers

ForceNine Consulting’s report allows companies to have the depth of information and expert analysis to make key business decisions regarding its WiFi product development, sales strategy and price structure. In addition to describing future market potential and successful service strategies, the report examines customer segmentation and competitive technologies.

“The telecommunications industry has been in a tailspin over the last 24 months, and WiFi is seen as a bright spot to many service providers and technology investors looking for new avenues for revenue generation both in the near and long term,” said Andrew Roscoe, partner with ForceNine Consulting, and co-author of the report. “While WiFi holds a great deal of promise, it is also one of the most misunderstood segments of the broadband wireless market.”

After polling nearly 3,000 consumers who use cellular and Internet service, ForceNine’s specific survey results indicate:

- Consumer demand is quite strong for WiFi services that are priced at a relatively low cost (\$1/hour or less). ForceNine predicts that 18 percent of cellular and Internet users will likely become early adopters of WiFi within three years of widespread deployment of the technology.
- WiFi deployment could retard the growth of 3G among consumer segments that value speed of Internet access over mobility. Two-thirds of respondents rated access speed as an extremely or very important feature, while only 28% rated mobility as an extremely or very important feature. As a result of differences between the two services in speed and mobility (and assuming widespread availability of both 3G and WiFi and reasonable pricing), of the 40% of cellular users identified as potential users of 3G or WiFi, 15% would use both 3G and WiFi, 13% would use WiFi but not 3G, and 12% would use 3G but not WiFi.

“By carefully analyzing nearly 3,000 interviews, this research has become the most comprehensive study completed to date on broadband wireless consumer behaviors,” said Dr. Samuel Book, partner with ForceNine Consulting, and co-author of the report. “Manufacturers, service providers and financial institutions will find the research particularly compelling.”

“The Market for WiFi HotSpots: Consumer Behaviors and Relationship with 3G” report is available for purchase in CD ROM format for \$1,450 from ForceNine Consulting at <http://www.forcenne.net>.