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Public Access WLANs FactBook - 2004

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Facts and Trends For 28 National Markets

SUMMARY

It is normal for new Telecoms Services Uptake to be clouded in the "haze of the battle". Usually the early days are difficult, the operator may need to make corrections to the a priori conceived business plans, and nobody wants to provide opportunities for hurried negative conclusions.

The GPRS usage figures took between 18 and 30 months to start appearing, and it was just few months ago that a major Wi-Fi operator outside Korea (T-Mobile US), made any usage statements worth talking about. The rest of the operators are other mute altogether, or more often they keep saturating the media with all kinds of PRs on their Wi-Fi deployments, with a key exception: the bottom line.

This Wi-Fi bottom line cannot be as simple as subscribers totals, or ARPUs. The bulk of Wi-Fi usage is still on a non-subscription basis, and therefore there are often no obviously meaningful ways to define ARPU itself. Furthermore the huge differences between Wi-FI uptake, hotspot CAPEX, pricing and user profiles, make any single notion of "average" highly problematic.

This year edition of the Public Access WLAN Report (published annually from January 2002), is based on the detailed statistical analysis of 22 months of usage data for almost 520 hotpots around the world. Since the data are for live hotspots, some of them bringing in as much $7,000 a month each, they have been provided to TeleAnalytics on a non undue disaggregation basis, meaning that no data are presented in ways, that can result to the identification of either the hotspots operator, the venue owner or related third parties.

Having for the first time access to a plethora of usage data, was one necessary conditions for trying to answer the key question: If, in what segment, and in which country, Wi-Fi is entering a mass market and where is only digs deeper in niche user enclaves. Understandably, having for the first time the demand side codified in clean-cut figures, meant not too much, unless the same was done on the supply side. The fact-finding campaign was the biggest ever undertaken, for this annual series of reports, and it was carried out in 28 countries and for more than 320 plus operators, not counting scores that they had to be researched, just to find out that they were not worth talking about.

It is ironic, but the hardest part of the fact-finding campaign, proved to be the US Wi-Fi Hotel Market Segment. The difficulty on the one hand originates from folkloric over reporting, and on at the other extreme, by the understandable tendencies of hotel owners to present things more advanced than they are. On the basis of the usage data available and a priori estimates, the segment was too important to be treated in the noise created by the never-ending resale of the same old properties. It was clear that the forest was missed for the trees, and the first ever in-depth primary research effort was directed at the US Wi-Fi Hotel Segment. The findings justified the effort, since the segment is responsible for 44% of total, worldwide, business, and consumer, revenue this year.

With the massive and down the earth mapping of both the supply and demand side of the Wi-Fi market, understandably the facts and trends mostly manifested themselves. Clearly many of the findings in the report are reconcilable only with the reality, and to not popular accounts, or wish lists.

They show a Wi-Fi Industry solidly in the mass market phase in the business segment, and a consumer segment still mostly languishing in the "woods" of the niche enclaves. They clearly paint a picture of a dominant US hotel segment market, with an almost unique absence of the Telecoms majors. A US consumer segment that is already in stagnation, and overtaken by the massive deployments in major European markets. The successful campaigns of T-Com in Germany and of Orange in France to first dominate the hotel segment. The predictable cash flow secured this way, and which allows for the massive drives for the domination of the consumer segment. The build out rates of European campaigns, that is are already very close to what Korea Telecom attained last year.

The report, although massive in terms of figures and statistical results, requires no analytical background in order to become an indispensable tool. A layered approach of "yardsticks", summaries, and fact sheets, has been adopted for presenting the massive amount of information unearthed, Of course for the user who wants to follow the passage from raw data to conclusions, all the facts are included, within the constrains of economy of space, and the non undue disaggregation principle mentioned above.