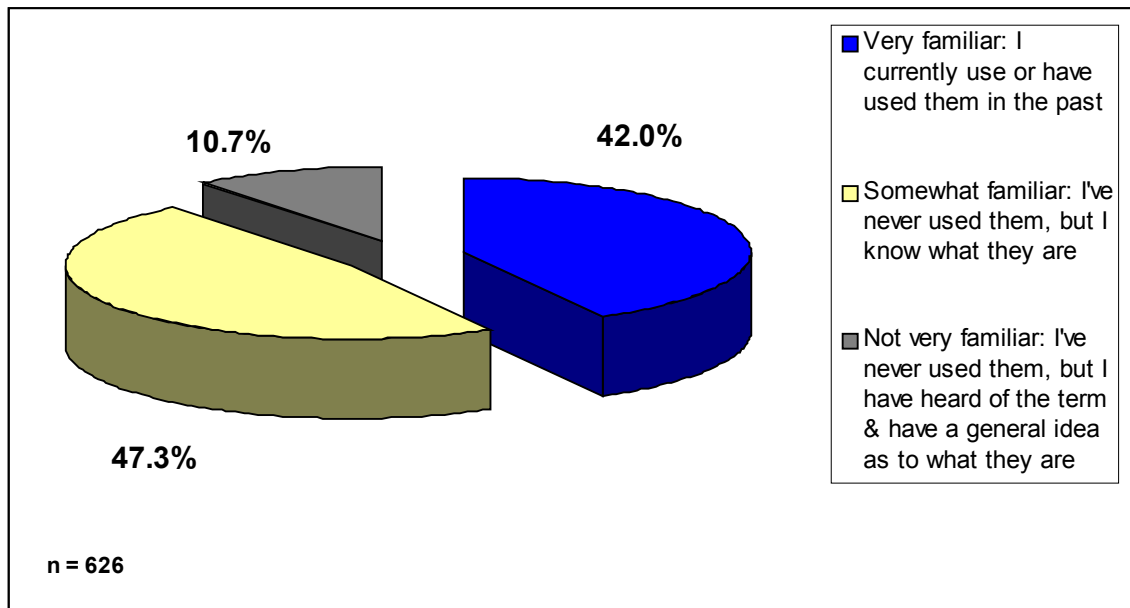


In-Stat/MDR Finds Broad Hotspot Usage, But Will that Mean Big Revenues?

According to a recent In-Stat/MDR survey of business professionals, nearly half of all respondents had used a hotspot service. The June 2004 web-based survey found that 42 percent of the 626 respondents had experience using public WLAN service, or hotspots. An additional 47 percent of respondents, while not having used a hotspot in the past, were familiar with the service. Just under 11 percent of respondents were not very familiar. Of potential users, 45 percent have already used hotspot services, while 54 percent have not used the service, but plan to do so in the future.

Figure 1. Hotspot Usage Among Survey Respondents



Source: In-Stat/MDR, 06/04

Survey response indicates significant familiarity with hotspot services, and would indicate a fairly high rate of usage, but In-Stat/MDR found that this does not necessarily translate to a large revenue potential. The majority of users only have need for a hotspot service (such as while traveling) once a month, or less, and on these occasions, most individuals have two or fewer access sessions. This surmounts to less than \$15 per using respondents or less per month (assuming they are purchasing access as they need it at a day rate fee). Availability/coverage and cost continue to be the largest adoption barriers.

The cost of some for-fee services is driving some hotspot users to seek out free hotspot venues. Over 80 percent of respondents that use hotspots have accessed at a free location and over half of such respondents said that if there was a for-fee venue in close proximity to a free venue, that they would visit the free venue. This desire for low cost (or preferably free) access will continue to present a challenge to WISPs, even as demand for hotspot access increases.