

Wireless Panel Research

Becky Diercks, Director of Custom Research & Principal Analyst, Wireless Data/Internet
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Demand for High-speed Wireless Data Services and Applications

High-speed Wireless Wide Area Network (WWAN) data service was the topic of the most recent survey of In-Stat/MDR's Wireless Panel. Overall, the wireless data market has been growing slowly, but is on an up-tick, and high-speed technology represents one factor helping the market grow. About 20% of respondents to this survey say they currently use WWAN data services, an additional 9% plan to begin using these services within the next six to 12 months, and 28% are considering using them at some point in the future.

Over the course of the past six months, carriers have been turning on higher speed networks. AT&T Wireless announced its Enhanced Data Rates for Global Evolution (EDGE) service in November 2003, which delivers average speeds of 100 to 130 Kbps and bursts up to 200 Kbps. It also plans to roll out Universal Mobile Telephone Service (UMTS) in four markets by the end of this year, which will further boost speeds. Verizon Wireless launched two test markets for CDMA 1xRTT EVDO (data-only) service in 2003 and announced plans to cover 80% of its market with the service by the end of 2004. This service delivers average speeds of 300 to 400 Kbps with bursts up to 700Kbps. And Sprint PCS plans to launch CDMA 1xRTT EVDV (data and voice), reportedly sometime this year.

Some of the key findings in this study are noted below:

- Service price is the most important criteria that will be taken into consideration when selecting a provider.
- Laptops are becoming the access devices of choice for WWAN data services. Planned WWAN data service users show more interest in cellular phones with integrated cameras than in any other type of device.
- This study indicates considerable current usage of GPRS; however, this service is being replaced by EDGE. As a result, many WWAN data service planners are evaluating EDGE, and there is also substantial interest in CDMA 1xRTT EVDO.
- In-Stat/MDR sees moderate interest in some of the newer applications that will be enabled by faster data services, including imaging and video-based applications. About 40% of current users and 47% of planned users intend to take pictures and send them to others. Roughly 25% of current and 31% of planned wireless data users say that they would be interested in taking and sending short, 10 to 15 second video clips. There was comparatively less interest in having the ability to view short video clips and even less in face-to-face videophone calling. Multiplayer games, however, represent another excellent market opportunity.

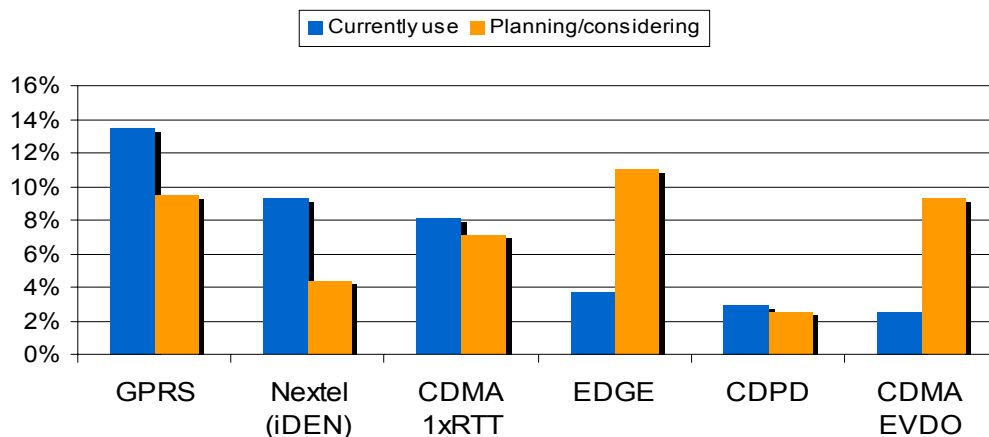
- For the most part, business users want to extend their desktop environment out to mobile devices and make office applications accessible at other locations when they are away.
- Sixty-three percent of respondents expressed interest in replacing cable modem and DSL service with one wireless high-speed service.
- In the future, high-speed WWAN data services will, to some degree, displace both wireless public WLAN and wireline cable modem and DSL services. The amount of displacement will depend on various factors, including the ability to share high-speed service within a household, price (which, if low enough, may somewhat negate the importance of a shared network), and coverage. Since the high initial price of high-speed WWAN data services will make them affordable primarily to business users only, In-Stat/MDR believes that all of these services will continue to co-exist for many years to come.

About the Panel

In-Stat/MDR’s Technology Adoption Panel (TAP) is a dynamic online group of thousands of technology users and decision-makers interested in contributing opinions and insights about technology usage and issues in the workplace. The panel is recruited from many different sources and is comprised of a diverse group, representing a wide range of company sizes, industries, and expertise.

Data for this report was collected via a brief Internet survey. Participants — members of In-Stat/MDR’s Technology Adoption Panel — were e-mailed an invitation to participate in a Web-based survey conducted from February 23rd to February 27th, 2004. Responses from 890 people are included in this research. If you are interested in joining the Technology Adoption Panel and/or learning more about it, please go to <http://www.instat.com/panels>.

Which of the following WWAN data services do you currently use and plan to continue using?



Source: In-Stat/MDR, 4/04

n=506 respondents who currently, plan to or are considering use of WWAN data services