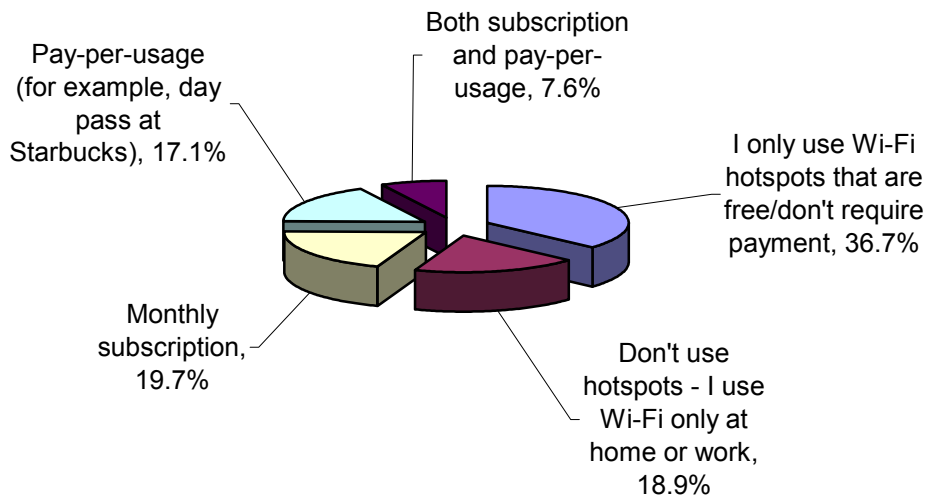


Survey Summary

The October 2005 In-Stat Technology Access Panel survey conducted for the “3G and Wi-Fi: In Search of the Sweet Spot” report focused on respondents who said they used laptop or notebook computers for wireless data connectivity via either cellular or Wi-Fi networks.

Profiles

Survey results indicate that 25.8% of those who use laptops for wireless data connect to cellular networks at least some of the time, and a total of 92.2% connect to Wi-Fi networks at least some of the time. Further, more than half—55.6%—of Wi-Fi-using respondents limit their Wi-Fi use to home or work connections, or to free connections.



Source: In-Stat, 10/05

n=630

Wi-Fi outpaces cellular at almost a 2:1 clip for mobile data use, but those who use cellular are largely undeterred by the comparative lack of bandwidth. They don't lag far behind—and in some cases exceed—Wi-Fi users in the pursuit of both short, bursty activities such as messaging and more data-intensive activities such as downloading video and using company applications.

Home Wi-Fi use predominates—80.8% of respondents connect at home, but beyond that, more respondents connect at commercial hotspots more frequently than they do at work (61.7% vs. 57.3%).

User Satisfaction

Neither cellular nor Wi-Fi users are especially satisfied with their respective mobile data networks despite the superior mobility that cellular networks afford and the superior network speed and lower cost that Wi-Fi provides. The overall satisfaction rating

(determined by assigning a value of 5 to “completely satisfied,” 4 to “very satisfied,” and so on) was 3.33, above the 3.0 median but only far enough to indicate tepidity.

On average, only 37.4%—only slightly more than a third—of respondents declared themselves completely or very satisfied, and 11.2% said they were very or completely dissatisfied. Predictably, cellular users were least happy with network speed and Wi-Fi users were least happy with coverage; both groups felt about equally lukewarm toward service cost.

	Network Speed		Network Coverage		Service Cost	
	Wi-Fi	Cellular	Wi-Fi	Cellular	Wi-Fi	Cellular
Completely satisfied	7.2%	6.8%	3.9%	8.0%	15.9%	9.1%
Very satisfied	40.9%	31.3%	19.6%	34.7%	20.5%	26.7%
Somewhat satisfied / somewhat dissatisfied	49.3%	54.5%	64.4%	46.0%	43.4%	51.1%
Very dissatisfied	2.0%	6.3%	10.6%	10.2%	14.3%	9.7%
Completely dissatisfied	0.6%	1.1%	1.6%	1.1%	5.9%	3.4%
Average satisfaction rating	3.52	3.36	3.14	3.38	3.26	3.28

Source: In-Stat, 10/05

Cellular: n=176

Wi-Fi: n=630

Further, approximately as many users of either type of connection are neutral about what they are receiving and paying as are either completely or very satisfied. Note the following, however:

- The whopping 40.9-point difference in the case of Wi-Fi users’ satisfaction with coverage
- The extent of cellular users’ dissatisfaction with network coverage (nearly equal to that of Wi-Fi users) despite the ubiquity of cellular coverage
- The extent of dissatisfaction with Wi-Fi service cost despite the extensive availability of free Wi-Fi around the United States

	Network Speed		Network Coverage		Service Cost	
	Wi-Fi	Cellular	Wi-Fi	Cellular	Wi-Fi	Cellular
Top Two (Completely or Very Satisfied)	48.1%	38.1%	23.5%	42.6%	36.4%	35.8%
Bottom Two (Completely or Very Dissatisfied)	2.5%	7.4%	12.1%	11.4%	20.2%	13.1%

Source: In-Stat, 10/05

Cellular: n=176

Wi-Fi: n=630

Service Cost and Perceived Value

Overall, cellular network users pay \$51.22 per month on average, compared to \$35.56 for Wi-Fi users who have monthly subscriptions or who pay as they go or both, a difference of \$14.56. Wi-Fi users pay less than cellular users but are only slightly more satisfied and are markedly more dissatisfied with service cost than are cellular users.

Respondents placed very little value on mobile data with both wide coverage and blazing speed: both cellular and Wi-Fi users said they would be willing to spend only about half

of what they now spend on such a service. Cellular users are up- and downloading data nearly on a pace with Wi-Fi users and enjoy wide coverage, but don't want to pay for speed. Wi-Fi users enjoy more than ample bandwidth but are only marginally satisfied with Wi-Fi—and don't want to pay for mobility. Almost two thirds of respondents (66.0%) said they would be willing to pay less than \$20 per month, and more than three quarters (79.9%) said they would spend less than \$30 per month.

More specifically, 46.6% of respondents said they'd be willing to pay only \$9.99 a month or less—little more than the price of two caffe lattes at a coffee shop—yet 47.1% of Wi-Fi users said they actually pay between \$20 and \$49.99 per month. The contrast is more pronounced among cellular users, 50.7% of whom said they pay between \$40 and \$99.99 per month.

Finally, although Wi-Fi users spend almost 31% per month less than cellular users for mobile data services, 61.0% of them said they planned travel around Wi-Fi availability at least some of the time.