

Wireless Panel Summary

October/November Survey: PC Cards

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Wireless PC Card Market is On the Rise

The wireless data market is growing by leaps and bounds. It can be broken down into three main types of communication: Personal Area Networks, such as Bluetooth and Zigbee; Wireless Local Area Networks (LANs), such as are provided over 802.11 technology; and finally, Wireless Wide Area Networks (WANs), such as CDMA 2000 1xRTT, General Packet Radio Service (GPRS) and Enhanced Data rates for Global Evolution (EDGE).

For products other than phones, users must access these services using special technology. In the case of WLANs and WWANs (which represent the bulk of the market today), users must access these services using specialized modems that are either built into devices, attached via a “sled,” (such that a PDA would slide into), or that are built in PC card form factors. Today, most people use the PC card form factor, although, increasingly, wireless modem capability is being built into the devices themselves.

The market for wireless LANs for use in people’s home and work is growing tremendously. The wireless WAN market is also growing, albeit at a much slower pace than that of WLAN. Wireless LANs are relatively easy to install, and prices have come down considerably over the years to make them very affordable. Wireless LANs are great for relatively short-range communication and provide excellent speeds of, typically, 10 Mbps and above.

The market for wireless WANs is far smaller, primarily due to the fact that it has taken the cellular providers a great deal of time to roll out these services, they are relatively expensive to use, and coverage, while broader than that of WLANs, can be spotty. Additionally, the speed of these services is relatively slow. The average speed of CDMA 1xRTT or GPRS, for example, is no faster than analog dial-up speeds. For these reasons, wireless WAN data services are used more by business people than consumers, and the market remains limited. Cellular carriers are focusing on expanding their networks and the applications available on those networks, and are deploying new technology to increase the speeds that can be attained. With these enhancements, they hope to grow the WWAN data market, to eventually encourage more mass-market adoption of these services.

This most recent survey of In-Stat/MDR’s panel illustrates strong demand for wireless WAN and LAN PC cards. Thirty percent of respondents that have or plan to purchase a notebook computer say that they use a PC card today, and another 37% say they plan to use one in the future.

There is demand for both WLAN and WWAN products, as respondents desire to have access from both their home and at their work, in airports, on planes, in hotels, convention centers, and other places that business users travel to. They also want to have national access. E-mail is the number one application accessed, followed by Internet and intranet access.

For today and for the foreseeable future, the market for WLAN PC cards will continue to outstrip demand for WWAN PC cards. About 90% of PC card users in the panel survey say they use a WLAN PC card, and 11% say they use a WWAN PC card. Fifty-six percent of people planning to purchase a PC card expect to get a WLAN PC card and 16% expect to get a WWAN PC card. About half of respondents say that they have a WLAN in their home and/or at work, and more users have Linksys cards than any other brand.

This research illustrates that, while the WWAN market is currently limited, many respondents are seriously evaluating using WWAN data networks and the PC cards that support them. Thirty-three percent of respondents that have notebooks or plan to buy them say they have WWAN access from their computers and 37% say they plan to have it in the future. Nineteen percent of them say they actually use WWAN services, while 45% say they expect to use these services in the future.

Cellular carriers will need to use more than just their phone stores to distribute these products. People that use and plan to purchase PC cards name many channels, including computer/electronics stores, the Web, through their companies, office supply stores and direct from their computer manufacturers. Respondents' willingness to pay is greater for WWAN PC cards than for WLAN PC cards.

More commonly in the past, wireless modems are being built right into the notebook itself. Forty-two percent of respondents say that their notebook has a wireless modem built in and 46% of respondents planning to get a notebook expect that a wireless modem will be built into it. This technology trend represents the biggest competitive threat to the market for PC cards in the future.

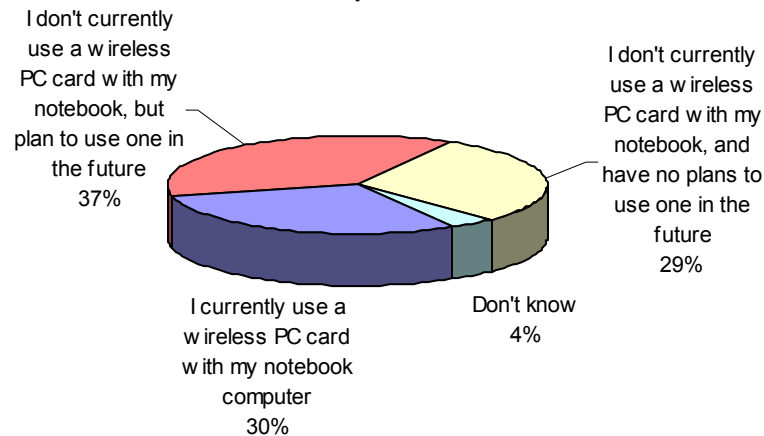
Any way you look at it, the market for wireless LAN and WAN access, and the products and service that support that access, is growing.

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 October 27th – 31st, 2003. Responses from 1,448 people are included in this research. Respondents worked for companies of different sizes, with nearly 43% that work for large enterprises. Respondents also represented a variety of different vertical markets. 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 best describes your use or plans to use a wireless PC card with your notebook computer?



Source: In-Stat/MDR's Wireless Panel, 12/03

n=1,448 that currently use or plan to get a notebook computer