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MARKET REPORT – HOT SPOTS

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REPORT

Wireless Local Area Networks (WLANs) for public use, are currently being rolled out in many countries around the world using 'Hot Spot' technologies, such as IEEE 802.11b. WiFi, 2.4GHz.

Singapore is no exception and in some ways is ahead of the game, as Singapore has a high percentage on broadband users and is a highly liberalised and communications savvy market.

Singapore therefore offers huge growth opportunities for public WLANs or 'Hot Spots' as they are commonly known, even though the technologies currently being used and installed does not currently offer any roaming or strong security features.

Singapore is not far away from reaching the critical mass required to get people to come out and surf outdoors.

With a very high penetration of PCs in the country, one of the factors that enables public WLAN services to thrive, is the number of 'Broadband' subscribers.

Broadband subscribers are likely to be more Internet savvy than their dial-up cousins, surf a lot more than 'Narrowband' users and would most likely need Internet access outdoors.

The Republic of Singapore currently has about 175,000 Broadband customers according to the iDA and this is expected to reach 350,000 by this year end.

The number of Broadband users, will therefore indirectly drive the take up rate of both the private and the public WLAN Market.

The financial size of the overall WLAN market this year will be worth more than US\$15m, which is an increase of 32 per cent over last year.

The bulk of that growth will come from Corporate users.

Enterprises see good Return on Investment (ROI) from WLAN and for employees who spend less than 50 per cent of their time at their desk, WLAN gives them access to corporate resources, wherever they are.

With WLAN, employees can respond to a few e-mail messages in between meetings and in Singapore real productivity of up to 1 hour per day can be gained, which is significant.

The Singapore WLAN market is expected to touch US\$30m by 2005, growing 26 per cent per year between 2001 and 2005.

In comparison, the Asia Pacific region, including Japan will see a 56 per cent jump, from US\$227.5m in 2001 to more than US\$520m by 2005.

Japan will be the major contributor, with a 50-60 per cent market share, however as Japan's WLAN market matures, it will see slower growth rates of between 14 and 29 per cent from 2002 to 2004.

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There is a great opportunity for WLAN in Singapore and MRT stops and trains fitted with WLAN base stations would enable commuters to access the Internet through their laptops, adding another dimension to being always connected.

Moreover, given that Singapore's business districts are denser than in other countries, users can enjoy connectivity to the wireless Internet through their PDAs or notebooks, during outdoor meetings, over coffee, or even during pockets of time in between meetings.

There are currently more than 40 Hot Spots in Singapore now, double from last year and it is estimated that there is room for 5,000-6,000 Hot Spots based on an average of 2,000 sq.ft. per Hot Spot range.

There are currently already eight (8) public WLAN service providers and considering the population density, the potential for multiple Hot Spots and also the mentality of the people who are already Internet and Communications on the move savvy and 'e and m' -commerce minded, there is a good business case for more service providers.

Roaming issues are currently being looked into by iDA, who is looking developing a common platform for inter Hot Spot roaming.

This will allow users to subscribe to a single account that can be used as authentication across various Hot Spots operated by different service providers.