

Analysys: Public WLAN market in the USA and Europe set to expand with revenues of over EUR4 billion by 2009

Submitted by: Martin Brooke Associates

Wednesday, 1 December 2004

* The public WLAN market is finally taking off but it must move beyond the business early adopters to achieve its full potential

* By 2009, the PWLAN market could generate EUR2.34 billion in Western Europe and EUR2.37 billion in the USA, according to Analysys Research's forecasts

* Charging structures will move away from the current prepaid scratchcard models to technology-agnostic bundles of services

* The report includes detailed forecasts for France, Germany, Sweden, Switzerland, the UK, the USA and Western Europe as a whole

=====

CAMBRIDGE, UK, December 1, 2004 - The public wireless local area network (PWLAN) market is finally showing signs of taking off, with the total spend on PWLAN services in the USA and Western Europe together forecast to reach around EUR4.7 billion by 2009, according to a new report from Analysys, the global advisers on telecoms, IT and media (www.analysys.com).

Senior Analyst Ariel Dajes, author of Analysys Research's new report *Viable Business Models Point to Big Opportunities for Public WLAN*, believes that there is still substantial growth potential in this area. "Although the market will be relatively small in absolute terms compared with mobile cellular services, we think that it still presents a significant opportunity for players interested in making money from business and residential customers when they are out of the home or the office."

Although the business traveller still continues to drive this immature market, the report suggests that it is imperative that PWLAN service providers expand to new customer segments. "We expect that, by 2009, there will be at least as many residential customers as business ones", continued Dajes. "In the USA, teenagers are already used to having private WLANs at home and they expect to have the same facilities in restaurants and cafés. The European market has yet to experience this move.

Expansion into the consumer market must be enabled by the development of devices and key applications, such as voice, and the ubiquity of network availability, and charging strategies are also expected to mature, moving away from prepaid scratchcards to technology-agnostic bundles of PWLAN services offered with broadband connections or mobile data services, or postpaid subscription packages. "We expect to see broadband operators following the approach taken by Korea Telecom in South Korea, Deutsche Telekom in Germany and TeliaSonera in Finland, bundling PWLAN with broadband or cellular data services to offer much more competitively priced services," said Dajes.

Viable Business Models Point to Big Opportunities for Public WLAN analyses the factors that must be taken into account in order for service providers to take advantage of the opportunities of the PWLAN market. As well as providing case studies of the successful players in this market, including BT, iPass, T-Mobile and Wayport, it uses the lessons learnt from these players to develop the most viable business models for success. In-depth qualitative analysis is backed up by detailed market forecasts for France, Germany, Sweden, Switzerland, the UK, the USA and Western Europe as a whole to 2009.

The report is available to purchase online at <http://research.analysys.com/store>, priced at GBP1700 (approximately EUR2500). For more information, telephone Analysys on +44 (0) 1223 460600 or email research@analysys.com.

About Analysys (www.analysys.com)

Analysys provides strategy and management consultancy, information services and start-up support throughout the telecommunications, IT and media sector. Its grasp of market dynamics, coupled with creativity, rigour and renowned objectivity, enables Analysys to consistently exceed the high levels of quality and innovation that its clients expect. The company has over 130 staff in offices in Cambridge, London, Glasgow, Madrid, Milan, Paris, San Francisco and Washington DC, and works with associates in Auckland, Melbourne and Vancouver.

Recent reports include:

- * Making a Success of the Mobile Content Value Chain (November 2004)
- * Voice Communications: from public service to private application (October 2004)
- * TV on a Mobile Phone: the killer application for 3G (October 2004)
- * Delivering High-speed Mobile Internet/Intranet Services: the role for 3G and public WLAN (August 2004)
- * The Business Case for Broadband Entertainment (July 2004)
- * 3G Launch Strategies: critical decisions on services and technology (June 2004)
- * Western European Fixed Telecoms Markets: forecasts 2004-2009 (June 2004)
- * Spectrum Trading and Liberalisation: new threats and opportunities for telecoms business models (June 2004)
- * The Road to Fixed-Mobile Substitution Starts with 3G (April 2004)
- * Western European Mobile Forecasts and Analysis 2004-2009 (March 2004)
- * VoIP in the US Market: services, business models and regulation (March 2004)
- * Strategic Options for Fixed and Mobile Operators in Central and Eastern Europe: scenarios and forecasts (February 2004)
- * Vodafone live! versus i-mode - lessons and prospects for the rise of global wireless services (February 2004)
- * Delivering the Broadband Home. New fixed and mobile services and devices: forecasts 2003-2008 (January 2004)

2004)

Media contacts (for author photography, executive summaries and interviews)

Louise Nunn

Analysys Ltd

Tel: +44 (0)1223 460600

Email: louise.nunn@analysys.com