



Are We Standing In A Hot Spot?

By Bryan Rader ■ *Media Works*

Sometimes when nobody is looking, a new technology comes along that creates a huge stir and a tremendous amount of interest. This is certainly happening right now with Wi-Fi, or wireless Internet access through the use of "hot spots" or open spectrum.

This new technology is inexpensive, strong, and can provide wireless access to the Internet in an area of up to 400 feet from its access point. And today, there are already thousands of hot spots, where users can pay a fee to access the Internet from their laptop with a simple \$60 card and a small antenna.

The phenomenon has already begun to spread in the mainstream. Starbucks offers Wi-Fi hotspots at a large number of U.S. locations. And McDonald's just added hotspots in its San Francisco restaurants—you can actually buy a Value Meal and pay \$5 more for unlimited wireless Internet access while you are inside the Golden Arches. (I can see this consumer trend coming—surfing the web all day in between Egg McMuffins and Big Macs).

There are hot spots popping up everywhere you turn—airports, city parks, libraries, hotels, conference centers, office complexes, and many more locations. You can now even buy cheap Wi-Fi packages at Wal-Mart, Best Buy, Circuit City, and other mass merchants. Newer laptops already have Wi-Fi capabilities built in.

Twelve million Wi-Fi units are expected to be sold in 2003, and this is expected to double in 2004. Soon, every laptop user will be able to access the Internet from just about anywhere. By 2006, industry experts are estimating that there will be 99 million users.

Large companies are already taking notice of this trend, although for the most part the initial providers were quite

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entrepreneurial. AT&T, Intel and IBM have formed a new company last year called Cometa, with the prospect of creating a nationwide network of hotspots. This company has plans to wholesale its service to hotels, ISPs, and other companies.

Many companies are not so sure how to utilize Wi-Fi. Verizon has said that they are interested in Wi-Fi, but it may not be a viable alternative to cable modems or DSL. They express concern about its reliability and its use of unlicensed spectrum.

This is not a fad, but a trend and consumer behavior seems to be strengthening. Already, Wi-Fi is in 1.4 million homes, and by 2005 this number is expected to grow to 27 million homes and 28 million offices.

Internet users who utilize Wi-Fi (or 802.11b as the technology is known) are changing "how" they access the Internet. They can take their laptop in the backyard, in the kitchen, sit on the couch, or even lay in bed. And still surf the web at very fast speeds.

The key question for independent broadband providers is what to make of this new craze. Do we embrace it? Incorporate it? Fight it? Or run away from it?

There are certainly several factors to think about, and opportunities to explore with Wi-Fi in the MDU environment. For instance, does it make sense to create a "hot spot" within each apartment community? Is this profitable, or a good amenity for the property owner?

What about home networking? Does

this change how we may pre-wire a unit for various services? Will our high-speed customers utilize Wi-Fi to obtain the convenience of walking around their apartment with their laptop or sitting outside on their balcony to surf the web?

There are security concerns too regarding Wi-Fi technology. Last year, Time-Warner raised numerous issues about the security of this product. Some of their data subscribers were signing up for RoadRunner (their high-speed access product) and then setting up a hot-spot in their home or apartments and re-selling this service to neighbors, or simply sharing with neighbors. (This is worse than cramming twenty-five people around a TV to watch a Tyson fight on pay-per-view!).

Newer standards of Wi-Fi may improve security and capacity. But don't deny this trend. It's our responsibility as successful PCOs to begin to understand this technology, determine where it fits, and potentially make it a marketable part of our strategy.

In other words, let's get in the "hot spot." ■

About the Author

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