

## **Coming to a McDonald's near you: wireless access to the internet**

Mar 27th 2003 | SAN FRANCISCO

BEING wired is old hat. It's time to get unwired. So says Intel, the world's largest chipmaker, which has launched a new family of chips under the name "Centrino". Its aim is to turn "Wi-Fi", a way to gain access to the internet wirelessly, into a standard feature of portable computers. The launch was accompanied by a barrage of announcements from firms planning to charge for Wi-Fi access via "hotspots" in public places. Take your laptop to a hotspot and you can surf the net unplugged.

Toshiba and Accenture have announced plans to set up 10,000 hotspots in America. Cometa, a joint venture between Intel, IBM, AT&T and others, has already said it will build 20,000. A consortium of five Asian telecoms firms plans to build 20,000 hotspots across Asia by the end of the year, and similar moves are afoot in Europe. An hour's free Wi-Fi access is being thrown in with every meal at a handful of McDonald's hamburger restaurants.

### The internet

Click to buy from Amazon.com: "The Wireless Networking Starter Kit", by Glenn Fleishman and Adam Engst (Amazon.co.uk).

Cometa is a joint venture between IBM, AT&T and Intel (which recently launched its Centrino Wi-Fi chip set). Analysys provides research on telecoms and wireless networking.

Given the runaway success of Wi-Fi in offices, universities and homes over the past couple of years, these announcements have been surprisingly slow in coming. Gartner Dataquest, a market-research firm, estimates that 15m Wi-Fi adaptors for computers were sold worldwide last year, and 4.4m access points that can link computers within 50 metres or so to the internet. According to Jupiter, another market-research firm, 57% of American companies already use Wi-Fi, and another 22% plan to do so within the next year.

Yet travellers who open their laptops in airports or railway stations hoping for a Wi-Fi signal usually do so in vain. There are millions of private Wi-Fi access points, but there are hardly any public hotspots: a mere 3,400 in the United States at the end of last year, and about half that number in Europe, according to Gartner. It is only in the past couple of months that grand plans for thousands more have been set in motion. Why has it taken so long?

The commercial Wi-Fi market has had an unexpectedly slow start for a number of reasons, says Ross Pow of Analysys, a consultancy. The market is fragmented—there are hundreds of would-be commercial Wi-Fi operators in America alone—so hotels, restaurants and retailers have been deluged with offers from firms hoping to set up hotspots on their premises. Moreover, the business model is still unclear. Should a hotel group, say, try to set up hotspots by itself? Or should it go into partnership with a Wi-Fi operator?

Another difficulty, notes Glenn Fleishman, co-author of "The Wireless Networking Starter Kit", is that there have already been several false starts. Wi-Fi access has only just become available at San Francisco airport, for example, which ought to have been one of the first places on earth to have a hotspot. But the airport twice signed agreements with flaky Wi-Fi operators that subsequently went bust.

Intel's strong backing for the technology is now prompting a shake-out. The company is investing \$150m in Wi-Fi firms and plans to spend \$300m promoting its Centrino chips. Through Cometa, it is seeding the market by building a network of Wi-Fi hotspots. As other firms enter the market on Intel's coat-tails, it seems likely that many smaller firms will either go out of business or be snapped up by larger ones. Last week, Cisco agreed to pay \$500m for Linksys, a firm that makes Wi-Fi equipment for homes and small offices.

Cellular-network operators around the world are also moving into Wi-Fi, despite previous worries that doing so would muddy the prospects for "third-generation" mobile networks. Wi-Fi and 3G, they claim, can co-exist happily. The established operators' interest in Wi-Fi is annoying enthusiasts, however. They had hoped that the technology would upset the status quo in telecoms, just as the internet did a decade ago.

Last year, there were several attempts to build commercial Wi-Fi networks from the bottom up, by aggregating private hotspots in homes and offices and offering their owners a share of the proceeds from paying users. But this idea failed: its best-known proponent, Joltage, closed its doors last month. Such outfits, says Larry Brilliant, Cometa's founder, were unable to provide the guaranteed levels of service that business customers expect. Instead, like the internet before it, Wi-Fi is now moving from the realm of grassroots enthusiasts to that of the big computing and telecoms companies.

**Fonte: The Economist (Newsletter) - 28/3/2003**