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## WiFi takes a seat at the cellular table

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Created Jul 24 2009 - 4:35pm

It has been slow and subtle, but the change is now as clear as day: WiFi is here to stay--and that's OK. Wireless local area network technology was once considered a serious challenge to the hegemony of cellular operators--and WiFi debates often drew heated remarks from both sides of the aisle--but the industry's technological evolution over the past several years serves to highlight not only the changing attitudes toward WiFi but also the shifting dynamics of wireless access in general.

After all, if wireless operators that just a few years ago actively worked against WiFi can now embrace the technology, what does that mean for today's technological battles? Indeed, are such technological choices still relevant in a fixed-mobile convergence future?

To get a sense of how the market will play out, it's worth peeking into the past--2003, to be precise.

In 2003, it was described as the "post heard-round-the-Wi-Fi world." Authored by Jeffrey Belk, who was at the time senior vice president of marketing for CDMA giant Qualcomm, "[Adventures in WiFi](#) [1]" blasted the technology as obsolete in a wireless wide area network reality. Belk criticized the WiFi business model, coverage and security in an effort to make a case for Qualcomm's 1xRTT and EV-DO technologies.

"So, I hope I've made the case for a few things," Belk concluded in his 5,599-word follow-up post, "[Adventures in the Hotspot World--Part II](#) [2]." "One, coverage matters. Two, the type of applications used matters. And three, a hotspot service in a location often does not provide a simple user experience, a simple roaming model, or a simple and sustainable business model."

Belk's arguments crystallized the established wireless industry's attitude toward WiFi at a time when it was gearing up to spend billions upgrading networks to 3G technology.

Peter Jarich of Current Analysis summarized the quandary of the time: "Is it going to suck away money?"

[3]The answer, based on industry actions today, is a resounding no. Fast-forward to 2009 and the number of connections on AT&T's 20,000-some domestic hotspots totaled 10.5 million in the first quarter. By next year, In-Stat predicts 20 percent of all WiFi chipsets will reside in mobile phones. And BlackBerry maker Research In Motion [has promised](#) [4] to include WiFi in its flagship CDMA BlackBerry starting next year, a move that CCS Insight handset analyst John Jackson describes as "seminal."

WiFi is now "a tick box for the smartphone consumer," Jackson contends. Numbers from ABI back up that claim: A recent report from the firm (on behalf of the Wi-Fi Alliance) found that 77 percent of mobile phone users want Wi-Fi on their next handset, and three-fourths of the people who have Wi-Fi capability in their smartphones use it regularly.



RIM will offer a version of its CDMA Tour BlackBerry with WiFi next year.


Jackson, along with a number of other analysts, agreed that the CDMA community--Verizon Wireless and Qaulcomm, specifically--remained hesitant on WiFi long after their GSM rivals began embracing the technology. Indeed, AT&T and T-Mobile USA each have extensive WiFi efforts--T-Mobile even offers a WiFi-based calling option called Hotspot@Home [5]--and most GSM handset lineups contain notably more WiFi than CDMA counterparts.

The CDMA community "has been a little more anti-WiFi," said Current Analysis' Jarich.

### The blame game

Naturally, representatives from the CDMA community have a slightly different take on the matter. James Person, chief operating officer of the CDMA Development Group, acknowledges that there have been concerns over WiFi, but he said CDMA carriers have largely changed their tune. He pointed to China Telecom, which he said has an aggressive hotspot strategy that currently covers 30,000 locations. "In some cases, it's a retention tool," he said. "There are times when you can't get (coverage) on 3G."

When asked why CDMA carriers appeared to hesitate on WiFi longer than GSM carriers, Person said it was a hardware issue. "What's the solution for CDMA? There wasn't any," he said...Continued [6]

 [7]Next page [8]

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[3] <http://www.fiercewireless.com/story/sprints-blackberry-tour-sprout-wifi-next-year/2009-07-09>

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[5] <http://www.theonlyphoneyouneed.com/>

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