

## Exploit existing communities before trying to create new ones

By Rob Bamforth, Principal Analyst, Quocirca Ltd

At one time an acceptable mantra was 'build it and they will come', and so internet companies laid fibre and mobile operators bid billions for spectrum licences, and sat back and waited. OK, so they didn't just sit back, they marketed the network capacity - broadband, always on or third generation mobile phones - but somehow the connection between the infrastructure on offer and the services consumers and businesses require was not well established.

Despite much improvement in the marketing messages, connectivity is still too often a generic infrastructure 'sell' that does not connect fully with the buying service 'need'. So, rather than setting out a stall and waiting for customers to pass by, it is generally better to identify a prospective audience, hunt them down in their natural habitats, and then target them with the right marketing ammunition or propositions.

Many of the public Wi-Fi services offered by venues or service providers started in the 'build it and they will come' way, rolling out networks then seeing who drops by and uses them. This is often followed by a similarly expensive round of marketing, aimed at demographic groups such as 'roadwarriors', 'young, active and fun' or 'silver surfers' and offering them confusing tariff plans at some cost. The problem is that service providers and venues they are serving have differing cost models and expectations.

Whether the offer is for connectivity in coffee shops, burger joints or airport lounges, the audience, their habitat and the proposition are only tenuously aligned at best, and so uptake all too often fails to match expectations. Anyone, anytime, anyplace on anything sounds like a great 'Martini' marketing principal for internet services, until it is realised that for a purchase to be justified a more definite 'that person, here, now using this' proposition needs to be offered.

Many venues became caught up in the idea of making money from offering Wi-Fi, but then discovered that insufficient numbers of suitably equipped users actually do drop by. Perhaps some considered that free Wi-Fi might have been

a differentiator or attraction for visitors, but those acting as a 'location reseller' for a service provider, may not have had that option. Doing the network deployment on the cheap is another route then often explored, but low quality connections and patchy coverage are not really going to encourage usage growth or customer referrals.

It certainly seemed like a particular 'McFood' outlet was caught up in this approach, when it unexpectedly made Wi-Fi connectivity available to passing burger buyers. Not only did the encouragement of lingering seem to make little sense in a 'fast food' high volume business model, but also the venue might not be the first choice of those business people who at the time were probably the only ones with the right technology and ability to pay Wi-Fi rates.

Things may be a little different now with the tariffs becoming cheaper and Wi-Fi technology more ubiquitous, but this fast food company found the idea really added value when they made the wireless connection of use for employees to beef up the corporate network, and then offered customer access on the side (like fries). Operational use and savings justified the investment rather than the untargeted and often nebulous potential for revenue from customer connection, and that makes it a much better proposition.

If the customer connection is also more targeted, it makes the whole proposition a different story. This is something that a recent entrant to the connectivity space, Wicoms, appears to have recognised. Its concept is based on a mix of operational efficiency and customer value, but targeted at well identified and easy to understand communities of interest - in one instance holidaymakers.

With this approach providers can target services where individuals are in a known, fixed location, and typically there for a decent period of time. For holiday venues this means camps, resorts and campus type facilities where tourists typically stay for a week or two, or at least a



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long weekend as part of a larger community, rather than more transient or anonymous locations such as airports and stations. Wicoms use the term 'The Virtual Estate'.

Here, just like in the fast food outlet, the operational use is the basis for justifying the network. In entertainment venues this means offering connectivity first to the employees and the systems that run the business – point of sale terminals, critical staff functions, security monitoring – and ensuring that sufficient capacity and controls can be applied to protect and manage them.

Customer connectivity and services can then be added either to bring in additional revenues or to act as differentiating services to stave off competition, but even in a self-contained, captive community needs to be a quality service. These venues thrive on loyalty, return visits and word of mouth endorsements, so the electronic entertainment and services must be up to the same standard as other facilities.

Although many locations have discovered that jumping on the Wi-Fi hotspot bandwagon didn't turn out to be the revenue generator they'd anticipated, rather than blaming the technology or even the service providers that suggested it would be an easy ride, they should look at simpler and more direct benefits. Look at who spends most of their time on the physical estate or premises, and provide something they need or value.

One of those odd facts about mobile technologies is that they are often at their best when those involved are stationary. The successful commercial models tend to follow a similar trend – it's less about trying to catch those passing by, and more about those who are stuck there already.

### About Quocirca

Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With world-wide, native language reach, Quocirca provides in-depth insights into the views of buyers and influencers in large, mid-sized and small organisations. Its analyst team is made up of real-world practitioners with first hand experience of ITC delivery who continuously research and track the industry and its real usage in the markets.

Through researching perceptions, Quocirca uncovers the real hurdles to technology adoption – the personal and political aspects of an organisation's environment and the pressures of the need for demonstrable business value in any implementation. This capability to uncover and report back on the end-user perceptions in the market enables Quocirca to advise on the realities of technology adoption, not the promises.

Quocirca research is always pragmatic, business orientated and conducted in the context of the bigger picture. ITC has the ability to transform businesses and the processes that drive them, but often fails to do so. Quocirca's mission is to help organisations improve their success rate in process enablement through better levels of understanding and the adoption of the correct technologies at the correct time.

Quocirca has a pro-active primary research programme, regularly surveying users, purchasers and resellers of ITC products and services on emerging, evolving and maturing technologies. Over time, Quocirca has built a picture of long term investment trends, providing invaluable information for the whole of the ITC community.

Quocirca works with global and local providers of ITC products and services to help them deliver on the promise that ITC holds for business. Quocirca's clients include Oracle, Microsoft, IBM, Dell, T-Mobile, Vodafone, EMC, Symantec and Cisco, along with other large and medium sized vendors, service providers and more specialist firms.

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