

Cloud4Wi - Free WiFi is gaining traction among mobile operators in Thailand

The amount of mobile data generated in Thailand is staggering and shows no sign of slowing down, driven by the insatiable demand for innovative smartphones and tablets as well as mobile applications and video content.

People constantly scan for WiFi hotspots and many businesses offer it for free in exchange for letting them send advertising messages on the networks.

Major mobile operators say consumers happily accept WiFi as a complement to their existing 3G data plans. The operators are deploying WiFi as a strategic solution for offloading mobile data traffic from their congested networks, especially given their limited licensed bandwidth.

Operators are also thinking about how WiFi fits in with their own domains. Is it a complement to their business or a threat? Is supporting WiFi just the cost of doing business, or can it be a potential profit centre? Should they evaluate business models beyond just offloading mobile data? Do they need to deal with WiFi now, or can they wait? And finally, what return can they expect from their investments? Industry analysts believe business-effective models use WiFi networks to cut operational costs and improve customer retention and service differentiation.

Thailand has 7.3 million WiFi users, with 3.5 million using True Corporation, a 55% market share, followed by mobile leader Advanced Info Service (AIS) with 3 million and Total Access Communication (DTAC) at 800,000 users.

Non Ingkutanon, general manager for broadband services of True, says the number of WiFi users has been rising by 70% annually, thanks to explosive growth of video and social media content as well as a plethora of new WiFi-enabled devices. WiFi traffic accounts for 25-30% of True's mobile networks, he says.

Mr Non says local WiFi service providers could make money with innovative business models for WiFi monetization, such as advertising and sponsorship that enhance basic WiFi access with value-added services for third parties and mobile users.

Although advertising on mobile devices has long been promoted as a significant revenue opportunity, advertising based on WiFi access promises to change the economics of mobile advertising. WiFi provides a more accurate user location than mobile cellular, allowing for better targeted advertising.

The use of WiFi is opt-in, meaning customers are more receptive to ads than the alternative spam model. They are willing to watch a mobile video ad in exchange for free WiFi access.

Mr Non says True adopts the WiFi Play model, which allows users free WiFi usage for 30-60 minutes in exchange for watching the company's video ads. "Digital marketers can use WiFi as a powerful tool to promote their products, raise brand awareness and generate revenue," he says.

True also offers a wide array of WiFi sponsorship opportunities for organizations in exchange for users' online survey participation. The company has invested 2.5 billion baht in the past decade rolling out its WiFi network to 100,000 hotspots.

Pratthana Leelapanang, senior vice-president for digital products and service at AIS, says it expects to reach 100,000 hotspots by year-end.

"Our WiFi is a complement to our customers' 3G data plans," he says, as AIS is bundling access to free WiFi service with its mobile tariff plans.

Average monthly data usage per user in Thailand is well over 1 gigabyte, compared with 500 megabytes last year.

AIS plans to collaborate with broadband service provider Triple T Broadband, the operator of 3BB brand, and share its network with rival DTAC to reduce duplicate network investment, he says.

Pirasan Punyagupta, adviser of Touch Technologies, an IT and telecom application service provider, says in Japan mobile operators provide free WiFi service to offload their 3G or 4G traffic.

Bodipat Asapan, managing director of mobyConnex, a strategic WiFi partnership with **Cloud4Wi Inc**, says free WiFi service could add a new revenue stream and allow deeper and more accurate understanding of consumer behavior.

WiFi mobile marketing platforms also enable small business owners and merchants mass engagement with consumers. Consumers can get free WiFi in exchange for opting in to receive digital coupons and daily deals from merchants.

Studies have found 80% of buyers use their mobile phones to find product information to help them make purchasing decisions, says Mr Bodipat. Health care providers, malls, coffee shops, hotels, restaurants, supermarkets and universities are prospective customers for using a mobile marketing platform because of its low investment costs.

The Wireless Broadband Alliance and Informa Telecoms and Media report the number of global public WiFi hotspots is expected to surge by 350% to 5.8 million in 2015, compared with 1.3 million in 2011. Research found 58% of surveyed operators believe WiFi hotspots are either "very important" or "crucial" to their customers' experience in order to offload busy mobile broadband networks and provide value-added services.

The surge in WiFi hotspots will primarily be in three types of location: wide outdoor areas and high-density zones such as public parks, local outdoor areas and transportation centres.

Market intelligence firm Strategy Analytics predicts 439 million households worldwide (one in four homes) have installed WiFi networks, reaching 800 million homes by 2016.

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