Wireless LAN Adoption
A Quantitative Analysis

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Research Overview

• This research is part of a larger annual study of network cabling in enterprises
  • Examines connection technologies for
    • Campus backbones
    • Vertical and Horizontal networks

• Over the past two years, companies have increasingly deployed wireless networks as part of their overall network infrastructure
Sample Demographics

• Based on a survey of US organizations conducted June 2001
  • Sample size N=129
  • All respondents have management responsibility for data networks at their organizations
  • Sample represents
    • Companies from 40 states plus DC
    • Companies from broad range of industries
    • Distribution of medium and large enterprises
Supply Drivers

• **Key developments that are contributing to WLAN market acceptance**
  • Standards have converged
    • 802.11 standard is stable and widely supported by equipment vendors
  • Technology has matured
    • Issues of security, reliability, speed, and range have been addressed
  • Key vendors have added credibility
    • 3Com, Alcatel, Cisco, among others are shipping product
  • Competition has reduced prices
    • $600 for LAN access points, $200 for NICs
Demand Drivers

- **Changes in workplace practices driving demand**
  - Employees equipped with laptops and PDAs need network access
  - LAN-related moves/adds/changes are costly and disruptive
  - Awareness of WLAN technology increasing
    - WLANs are increasingly seen as a viable alternative to wired LANs
Current Use of Wireless LANs

- Over a third of companies with wireless LANS use them for both horizontal and campus networks.

Q: Does your campus backbone/horizontal network operate over cable (copper or fiber), over a wireless connection, or both?

% Organizations

- Cable only
- Wireless only
- Both

Confidential
WLAN Installation Plans

- Almost two thirds of organizations have plans to install WLANs in next two years
  - Large companies more likely to be planning WLANs
- Nearly half of all companies expect to use wireless LANs as commonly as wired LANS by end of 2003

Q: Do you have plans to install a wireless LAN in the next two years (regardless of whether or not you already have one)?
WLAN Drivers

- Trends towards increasing worker mobility is a significant driver
- Analysts often overlook cabling costs as a driver of network technologies

Q: My organization is installing a wireless LAN/expanding its wireless LAN to . . .

% Organizations

Improve support for workers with laptops
Reduce the need for cabling changes during employee moves/adds/changes.
Improve support for workers with PDAs.
Until very recently, Bluetooth has not been actively marketed by vendors and not been receiving good publicity from industry observers. Over past several months, Bluetooth has been starting to receive some favorable press. In spite of this, a third of organizations are likely to support Bluetooth device on their corporate networks, with less than 10% being "very likely".
Important Wireless LAN Trends

1. **Two thirds of companies expect to be using wireless LANs by 2003**
   - Nearly half of them expect to be using wireless LANs as commonly as wired LANs

2. **Wireless LANs are expected to enhance rather than replace wired LANs**
   - Allows flexible connectivity for workers with laptops and PDAs
   - Reduces cost of cabling move/add/changes

3. **Bluetooth has some support in the market, but many are still unfamiliar with this technology**
For more information

• For information on this and other Sage Research studies, including the Cabling 2001 Report, contact Sage Research

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