

# **Wireless Location Services: 1999**

**October 20, 1999**



**THE STRATEGIS GROUP**

**202-530-7500**

# Study Objectives

- ❑ **Quantify the market opportunity for wireless PDE technology.**
- ❑ **Determine likely deployment rate of PDE technology by wireless carriers.**
- ❑ **Determine the market potential and projected revenues for major wireless location services.**



# Methodology

- ❑ **Survey of 600 consumers:**
  - ❑ 300 wireless users;
  - ❑ 300 non-users of wireless services.
- ❑ **Interviews with key location-technology officials at wireless carriers.**
- ❑ **Interviews with PDE technology vendors.**
- ❑ **Review carrier and trade association filings with FCC.**



# Reasons for Deploying Location Technology

- ❑ **The primary factor driving wireless carriers' deployment of location technology is the FCC's wireless enhanced 911 services mandate (Docket 94-102).**
- ❑ **While some carriers are exploring commercial location services, commercial opportunities remain a secondary consideration for most carriers.**



# Obstacles to Deployment

- ❑ **Significant obstacles to carrier deployment of location technology remain. These include:**
  - ❑ **PSAP readiness;**
  - ❑ **E911 Funding;**
  - ❑ **Liability exposure.**
- ❑ **There is no one-size-fits-all location technology: both handset and network-based location technologies have significant cost and performance drawbacks.**
- ❑ **As a result, most carriers have not yet determined how they will address the FCC's E911 mandate.**



# Location Technology Outlook

## ☐ Network-based Technologies

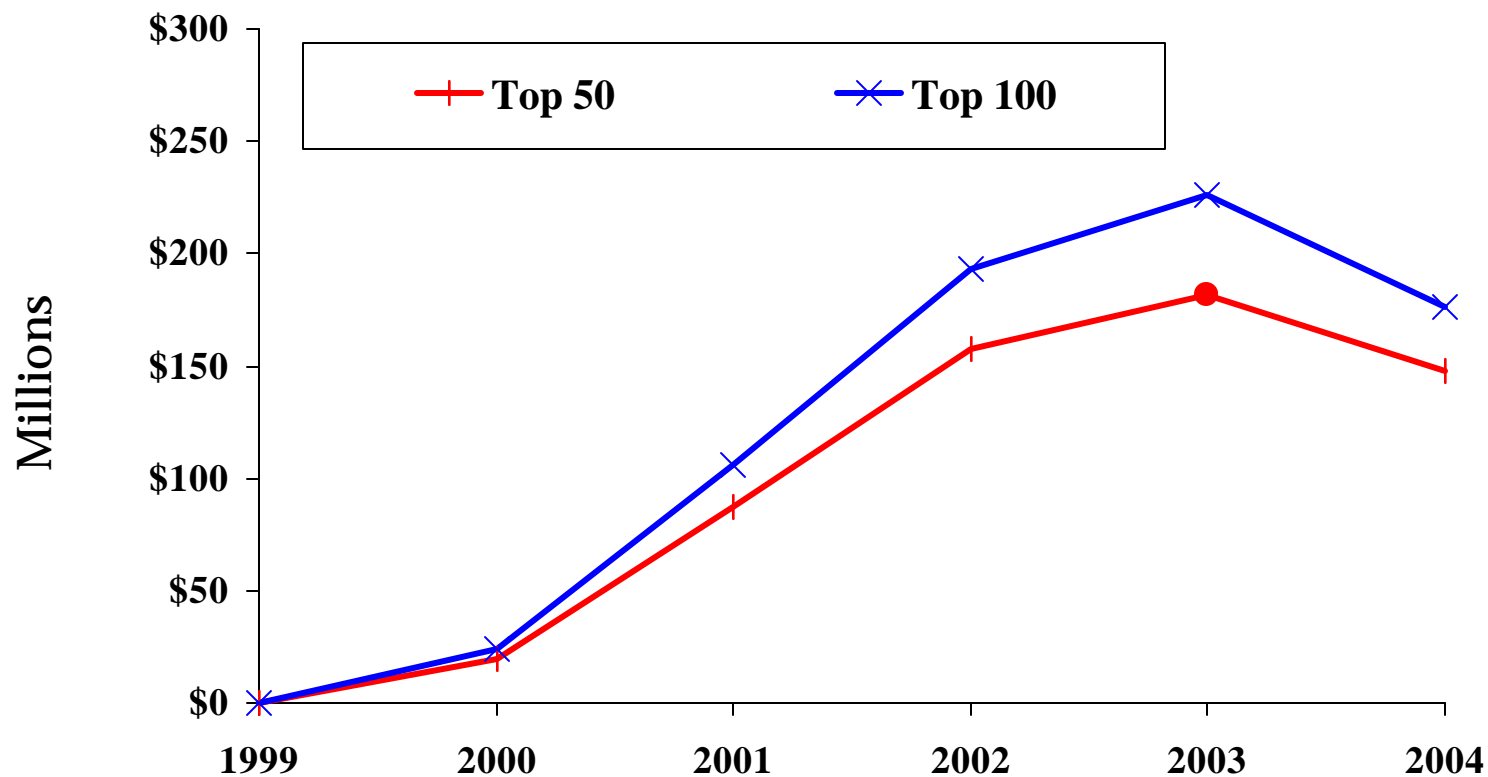
- ☐ Strategis believes that network-based location technologies will be deployed in top urban markets.
- ☐ However, wide-scale deployment of network location technologies prior to October 2001 is not likely.

## ☐ Handset-based technologies

- ☐ Strategis believes that location technology will be incorporated into 95% of digital handsets by 2004.
- ☐ Handset solutions will have little impact on the installed subscriber base until 2002.



# Projected Annual Revenues of Network Location Technology, Top 50 & 100 Markets

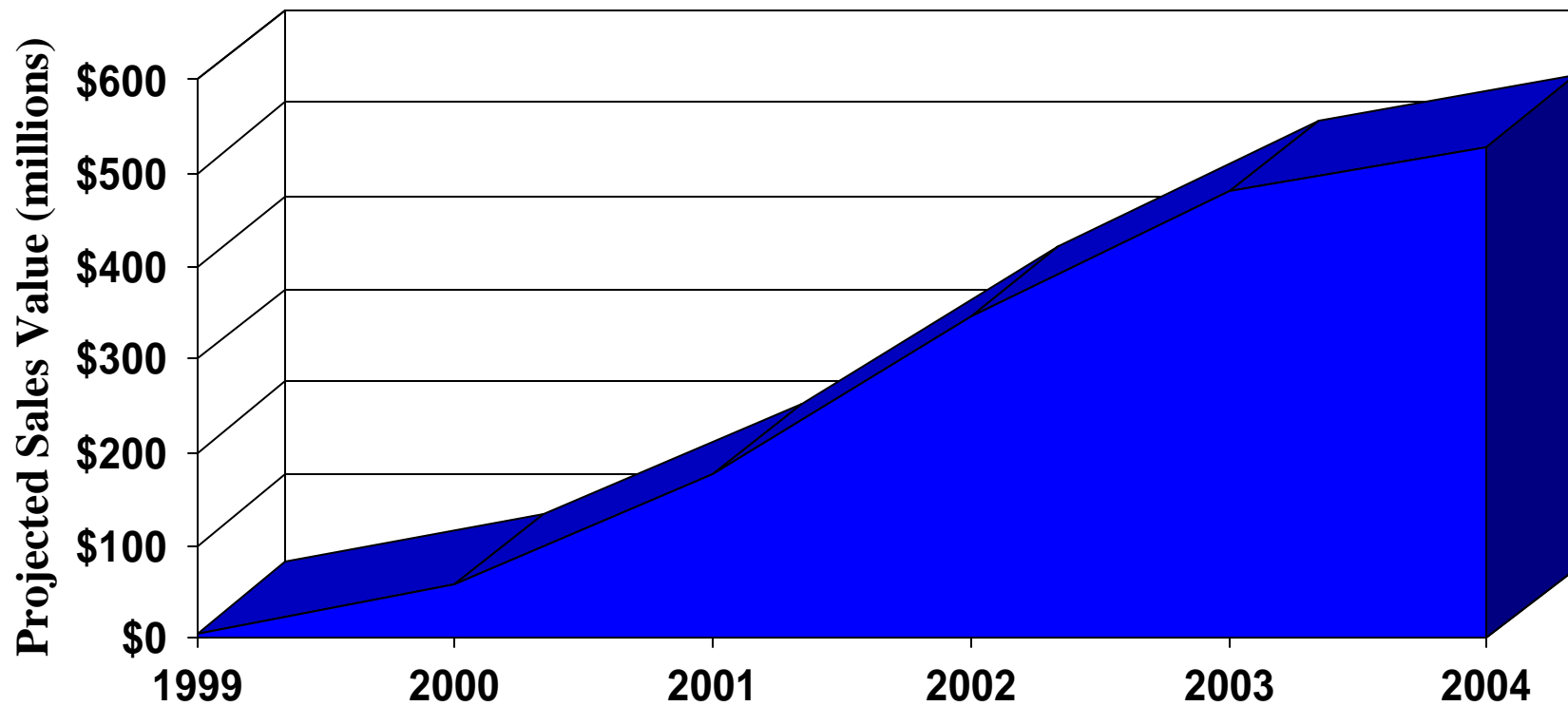


Source: *Wireless Location Services: 1999*, The Strategis Group



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# Projected Sales of Handset PDE Technology, 1999-2004



Source: *Wireless Location Services: 1999*, The Strategis Group



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# Four Location Services

- ❑ **Emergency roadside assistance:** can locate and provide assistance to drivers in emergencies.
- ❑ **Enhanced 411:** provide location-specific information and directory assistance services.
- ❑ **Traffic and navigation information:** location-specific traffic updates and “intelligent” navigation instructions.
- ❑ **Location-based billing:** variable rate calling plan, based upon the location of the caller. Discounts apply to calls made from home or office, to position wireless as an alternative to landline services.



# Respondent Profile

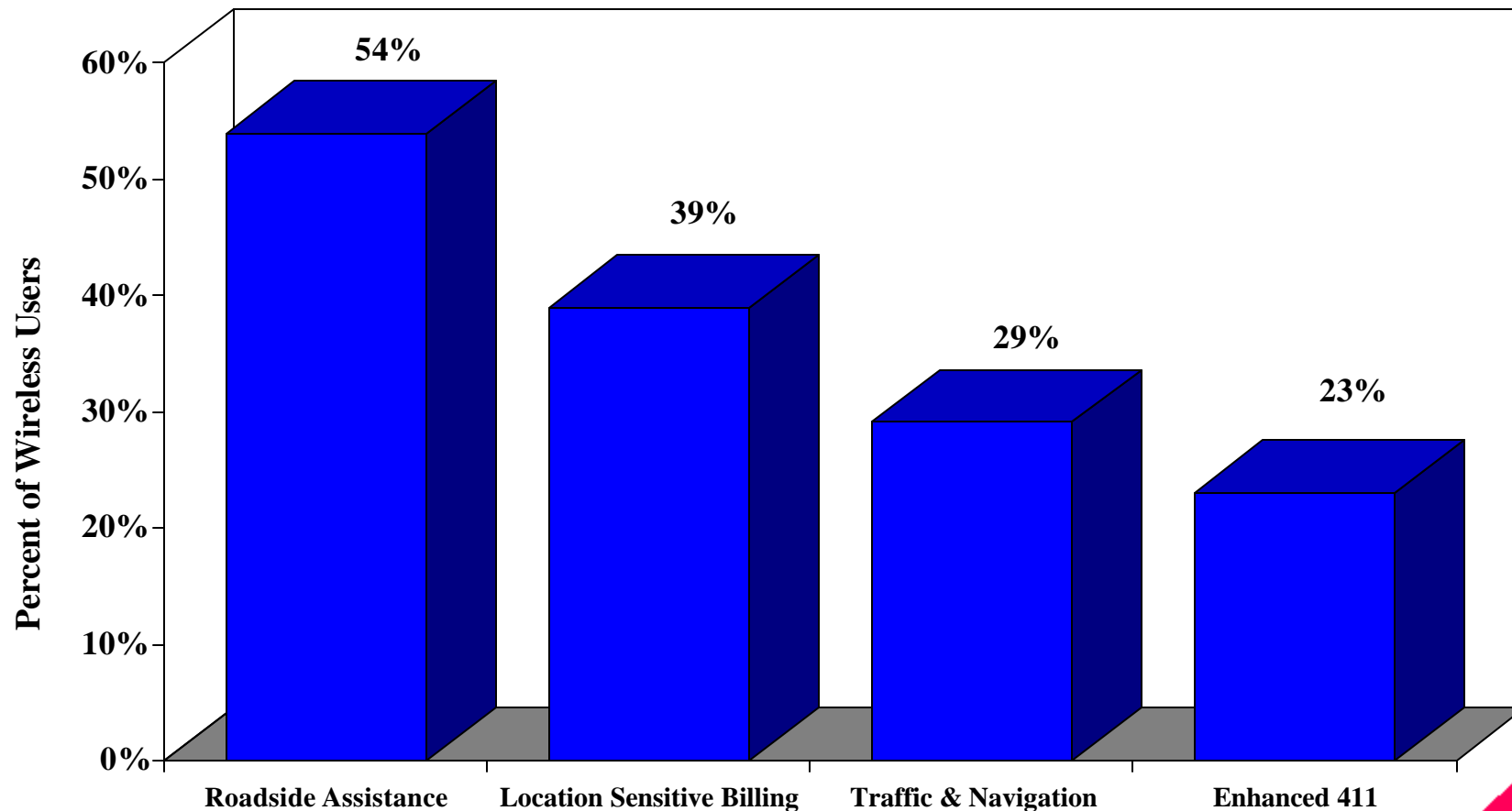
	Gender		Median Age	Median Household Income	Education	
	Male	Female			Non-College Graduate	College Graduate
Wireless Users	49%	51%	41.2 yrs.	\$51,143	56%	44%
Non-Users	42%	58%	43.9 yrs.	\$34,090	70%	30%

Source: *Wireless Location Services: 1999*, The Strategis Group



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# Percent of Wireless Users Interested in Location-Based Services, 1999

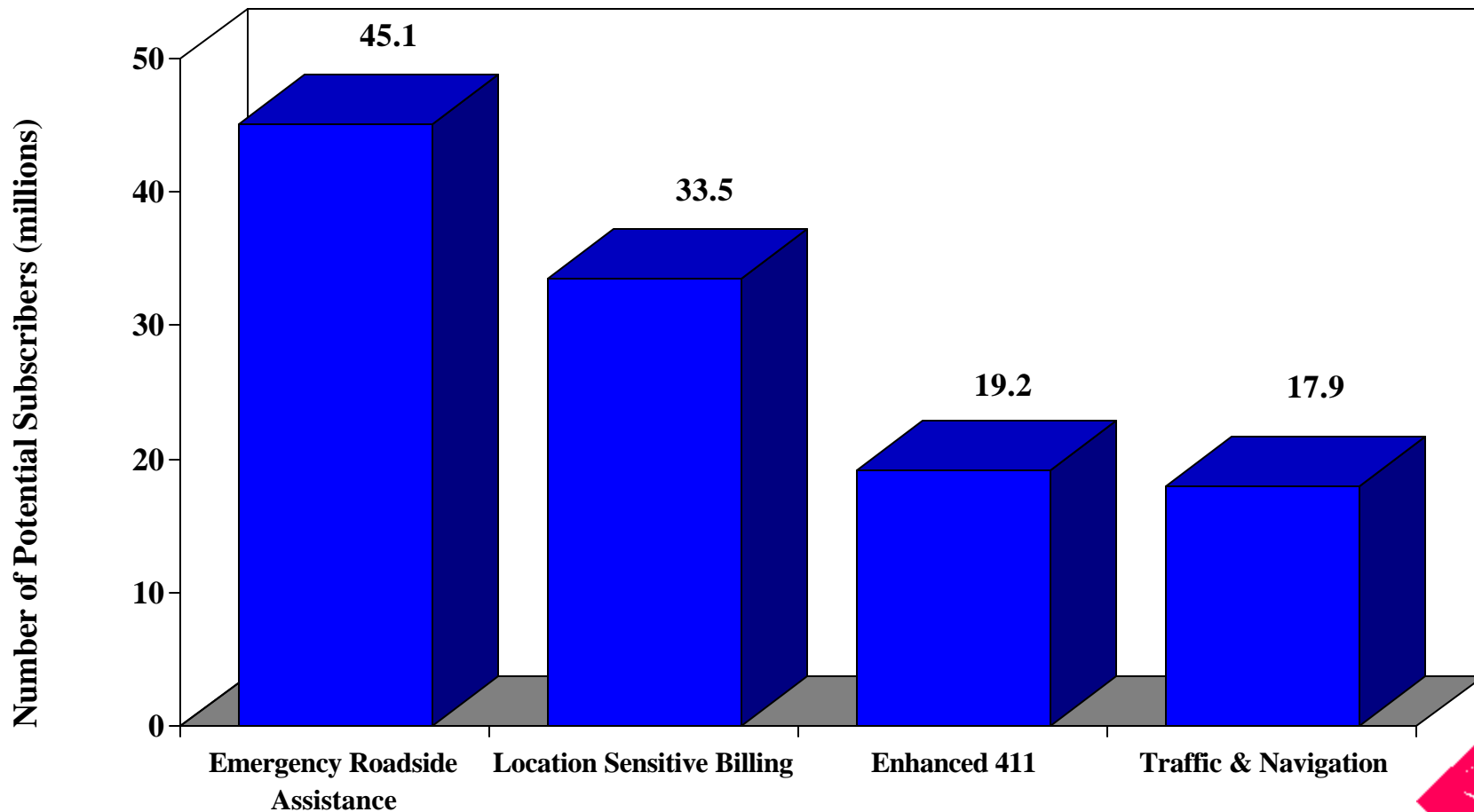


Source: *Wireless Location Services: 1999*, The Strategis Group



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# Market Potential for Wireless Location Services, 2004

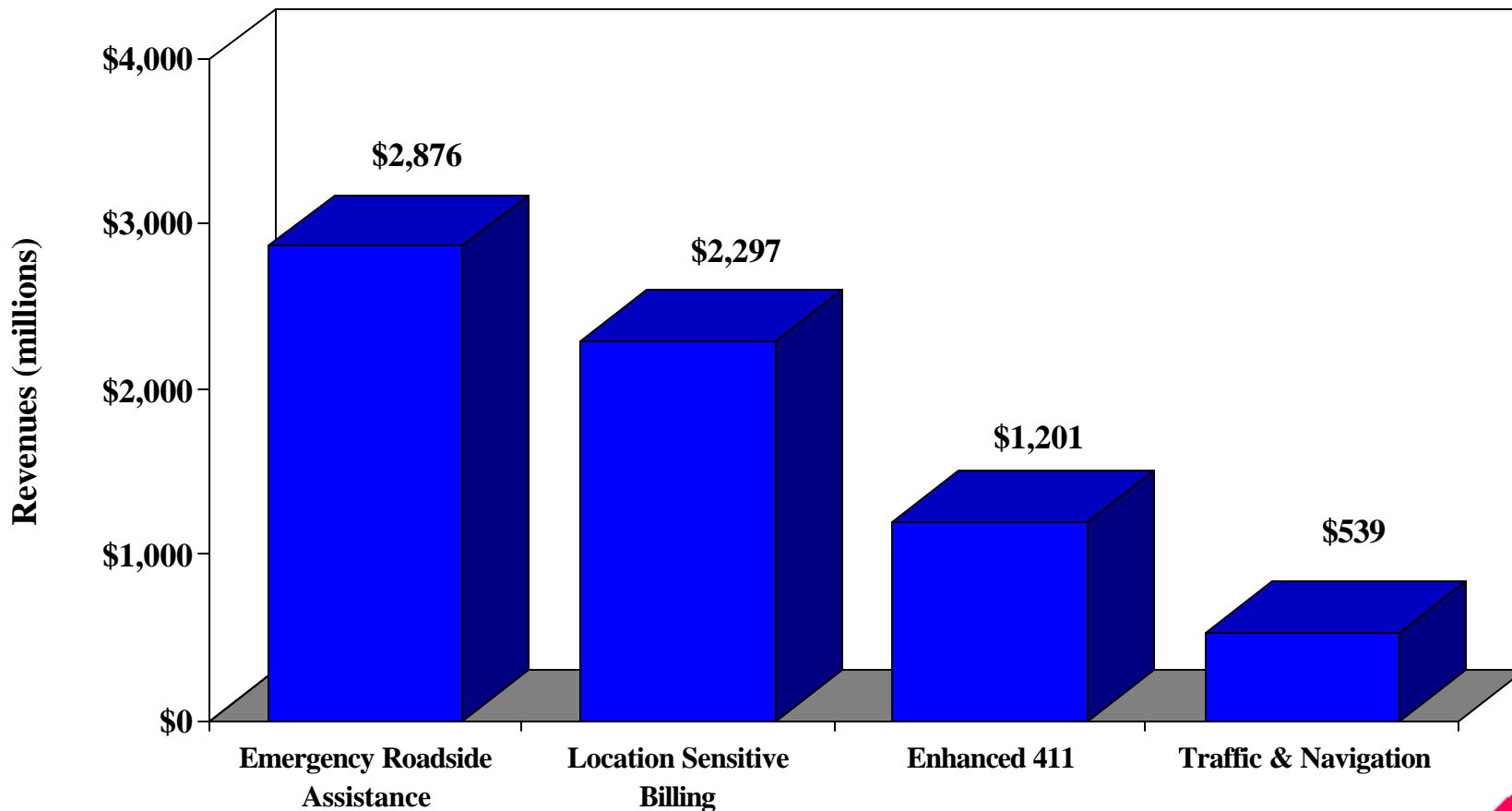


Source: *Wireless Location Services: 1999*, The Strategis Group



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# Projected Annual Wireless Location Service Revenues by 2004



Note: Totals are not additive

Source: *Wireless Location Services: 1999*, The Strategis Group



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# Telematics Footnote

- ❑ Telematics is the most widely available wireless location service today, with approximately 130,000 subscribers as of September 1999.
- ❑ Telematics combines GPS with wireless communications (AMPS cellular).
- ❑ Typical applications include:
  - ❑ Emergency roadside assistance;
  - ❑ Stolen vehicle recovery;
  - ❑ Airbag deployment notification;
  - ❑ Navigation instructions;
  - ❑ Remote vehicle diagnostics.
- ❑ Telematics services are addressed in-depth in The Strategis Group's forthcoming study, *US Telematics Marketplace: 1999*.

