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The iPass Global Mobile Workforce Report

Wi-Fi Wake-up Call

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The iPass Mobile Workforce Report

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Executive Summary

This Q3 2013 iPass Mobile Workforce Report discusses some fast-changing trends we're seeing that are affecting the hospitality industry and the use of Wi-Fi in public locations—especially hotels. In this report, you'll learn that the availability of Wi-Fi is changing the criteria by which mobile workers choose a hotel. Quality Wi-Fi is now a make-or-break proposition, and the hospitality industry must heed the call to meet the needs of their increasingly connected clientele. While the industry is aware of this trend, this report is the first to publicly quantify that connectivity is becoming a basic need, no matter where we travel.

- **Hotel Wi-Fi is almost as important to business travelers as a comfortable bed.** Wi-Fi is a driving force in the hotel choices mobile workers make, and according to this report, 73 percent of respondents said that the experience of using Wi-Fi in a hotel is "very important" or "important" to them. Wi-Fi is so important to travelers when staying in a hotel that they rated it second most important—only a comfortable bed was more essential.
- **Business travelers have issues with hotel Wi-Fi.** If business travelers have a bad experience with the Wi-Fi at a hotel, most won't come back the next time they travel. Yet the hospitality industry should be aware that overwhelmingly, 82 percent of respondents stated that they found free hotel Wi-Fi services to be limited, slow, and unreliable.
- **There is an enormous disconnect between what hotel guests expect and what hotels are providing in terms of Wi-Fi.** Eighty-one percent of respondents reported having had a bad experience with hotel Wi-Fi in the past 12 months, even though most hotel guests now consider Wi-Fi a basic need and expect hotels to provide adequate service. This should serve as a wake-up call to hotels—guest expectations are changing, and hotels must rise to meet those demands.

Other findings in the Q3 iPass Mobile Workforce Report:

- **Inflight Internet is flying high.** Mobile workers appreciate the idea of having Internet access while flying. But travelers are split on its monetary value; 31 percent of mobile workers felt that inflight Internet should be a free amenity offered on airplanes, and 79 percent were willing to pay up to $10 (€8/£6) per flight to access the Internet. Not only that, but travelers are now searching for flights that include Wi-Fi: 31 percent said that availability of inflight Wi-Fi influences their travel choices.
- **Users are more aware of the cost of mobile connectivity.** Eighty-one percent of respondents believed that the cost of mobile data roaming was either "too high" or "way too high." In 2012, 20 percent of workers had no opinion on the topic of roaming prices, but this year, that figure dropped to 13 percent, indicating a growing awareness of the cost of data roaming.
- **Vacation time is connected time.** Mobile workers aren't unplugging when they go on vacation. In fact, the majority (91 percent) stay connected wherever they go just so they won't fall behind while they're away. More than half continue regular daily project work while they're on vacation, and log in several times a day to work.

Introduction

It was once thought that the advent of cloud collaboration apps and videoconferencing would limit the need for business travel. Instead, traveling for work remains big business, because people still prefer in-person meetings. However, business travel no longer means being out of touch with customers and colleagues. Today, most mobile devices are equipped with both 3G and Wi-Fi, but the fastest, most ubiquitous mobile connectivity method is Wi-Fi. The 3G/4G cellular technologies that started the mobile revolution can't keep up with the demand for speed and throughput that Wi-Fi handles easily. The convergence of business travel and Wi-Fi created a strong push—particularly in the hospitality industry—and now, Wi-Fi is a deciding factor in a hotel's or other travel brand's success.

The trouble is, the hospitality industry isn't meeting guest expectations. This survey shows a strong disconnect between mobile workers' expectations for Wi-Fi, and what hotels are actually providing to their guests. When responses are consistently in the 70–80 percentiles—globally expressing dissatisfaction with the quality and security of hotel Wi-Fi—the hotel industry should take note of a serious issue that could affect their bottom line.

All of these concerns are also top of mind when business travelers make decisions about which airlines they fly. Armed with Wi-Fi-enabled devices that provide a lifeline to the Internet that keeps them connected to both work and family, these travelers' choices are changing the face of today's hospitality industry.

Quality hotel Wi-Fi: A make-or-break proposition

Many of those who travel for business depend on hotel Wi-Fi to do their job, and to keep in touch with family, friends, and colleagues. Being out of the office (sometimes even while on vacation) is no longer an excuse to miss a deadline. This report asked mobile workers how valuable hotel Wi-Fi is to them, and the vast majority (73 percent) said that Wi-Fi was either "important" or "very important." Only two percent didn't care about hotel Wi-Fi, which is a clear indicator that in-room Wi-Fi is now considered a basic need by business travelers all over the world.

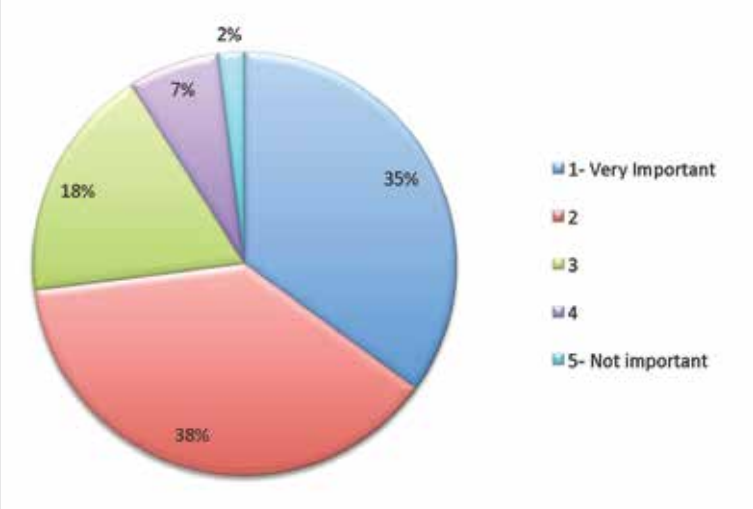

Figure 1: How important is Wi-Fi to your overall satisfaction with a hotel? *(on a scale of 1 to 5)*

In fact, hotel Wi-Fi is such an important concern to business travelers that they vote with their feet if the service isn't up to scratch. Almost three-quarters (74 percent) of all respondents said that a poor Wi-Fi experience would be enough to prevent them from returning to that hotel for another visit.

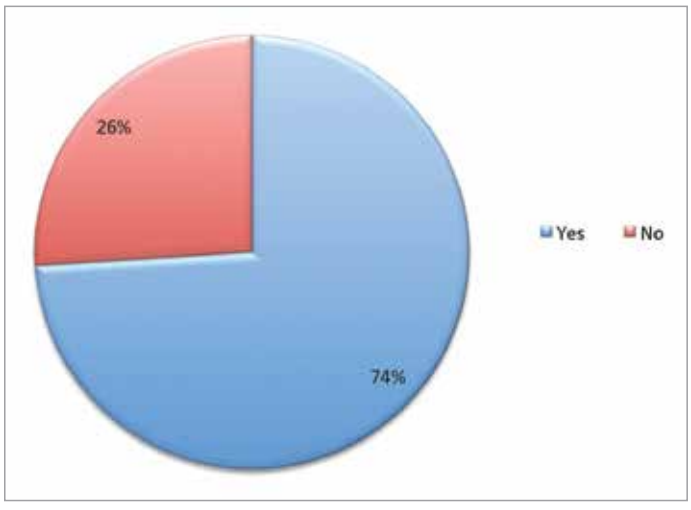

Figure 2: Would an unsatisfactory Wi-Fi experience prevent you from revisiting a hotel?

Connectivity is almost as important as a good night's sleep

Mobile workers now believe that Wi-Fi connectivity is a basic need, on par with food, water, and shelter; and they'll base decisions on where to spend money on a hotel's ability to meet those needs. Wi-Fi is so important to travelers when staying in a hotel that they rated it the second most important factor—only after having a comfortable bed. Guests indicated that quality Wi-Fi, even if they have to pay for it, is more important than restaurant and bar facilities, a gym, or even having a television in the room.

There is very little difference between the importance of paid and free Wi-Fi. Mobile workers just want hotel Wi-Fi to give them the speed and bandwidth they need, and many of them are willing to pay for it. Monetizing that desire should be of equal importance to hotels. With a need this strong for quality, reliable hotel Wi-Fi, and a complaint rate as high as 82 percent, hotels have an enormous opportunity to improve customer satisfaction and increase revenue.

Furthermore, business travelers share their experiences. Websites like Yelp, Trip Advisor, and smartphone-enabled hotspot finders allow users to leave reviews about hotels. Sites like CNN, Lifehacker, and other travel sites offer annual round-ups of the world's best and worst hotel Wi-Fi, and, as we learned from the iPass Q2 Mobile Workforce Report, 71 percent of mobile workers research Wi-Fi availability before they travel. While these review sites do not offer "Internet service" as a factor, terms such as "business friendly" or "business-ready" do appear, and those may refer to the business services available in a hotel, including Wi-Fi. Potentially, a rating for business-friendliness in a hotel could be a code for connectivity.

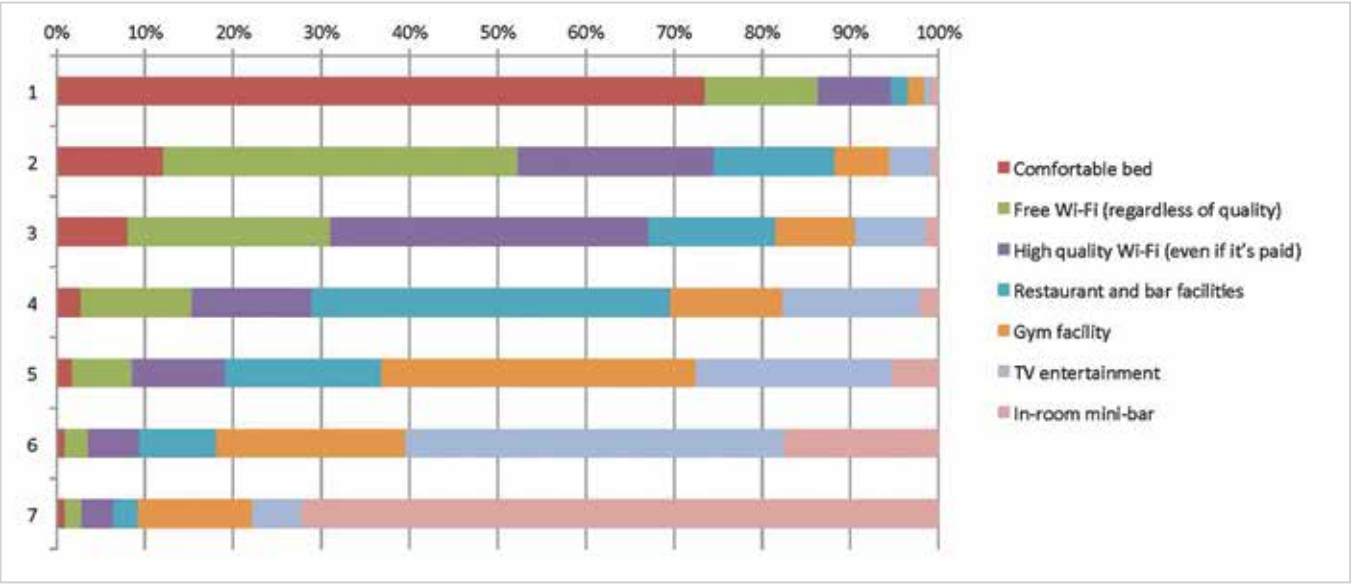

Figure 3: What's most important to you when staying in a hotel? *(1 is highest and 7 is lowest)*

Hotel Wi-Fi connectivity: Nothing to write home about

The Internet is abuzz with a complaint: the poor quality of hotel Wi-Fi. From travel websites to technology giants, from hotel guest reviews to white papers, it seems that almost everyone who travels has Wi-Fi woes, some going back several years. But just how bad is the state of hotel Wi-Fi? According to our survey, a full 81 percent of all respondents around the world reported experiencing poor Wi-Fi connectivity in a hotel in the past 12 months.

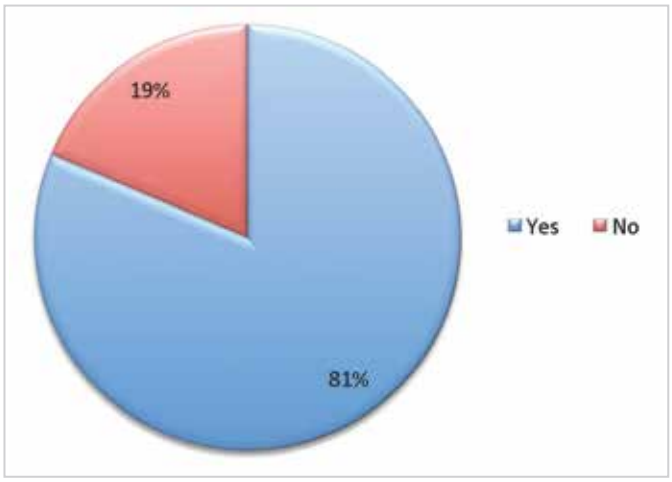

Figure 4: Have you experienced poor Wi-Fi connectivity in a hotel in the last 12 months?

Free hotel Wi-Fi: You get what you pay for

Mobile workers were loud and clear about the quality of free hotel Wi-Fi. Around the world, 82 percent reported that free hotel Wi-Fi services are generally limited, slow, or unreliable. Since our survey shows that a bad Wi-Fi experience is enough to drive lucrative business revenue to alternate hotel chains, hoteliers need to pay more attention to the connectivity experience of their guests.

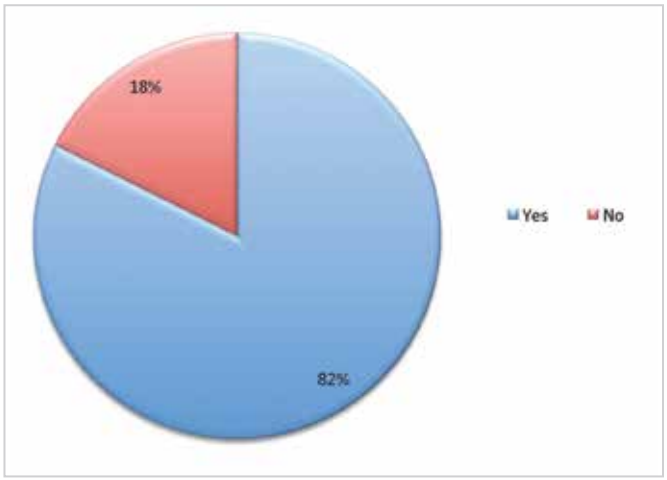

Figure 5: Have you found that free Wi-Fi services are generally limited, slow, or unreliable?

Business travelers are distrustful of hotel Wi-Fi security

Internet security in general has been in the news a lot lately, and hotel Internet—which often requires guests to input credit card information—makes 69 percent of mobile workers nervous. The possibility of hacking into the system appears high, especially if the hotel's connection is open with an easy-to-guess password, such as the name of the hotel. It's even easier to infiltrate hotel Wi-Fi connections if every guest has the same password. A recent article in USA Today advises readers to trust hotel connections only when a higher level of security is offered, which at some hotel chains requires an additional fee.

Even when users are paying for Internet access, the possibility of viruses and other invasions of privacy remain real issues. And it isn't only hotels where security is of concern, an even larger number of respondents (73 percent) feel uncomfortable accessing public Wi-Fi, whether it's free or paid. This indicates that mobile workers have a strong desire for authenticated Wi-Fi that protects their data and identity wherever they connect.

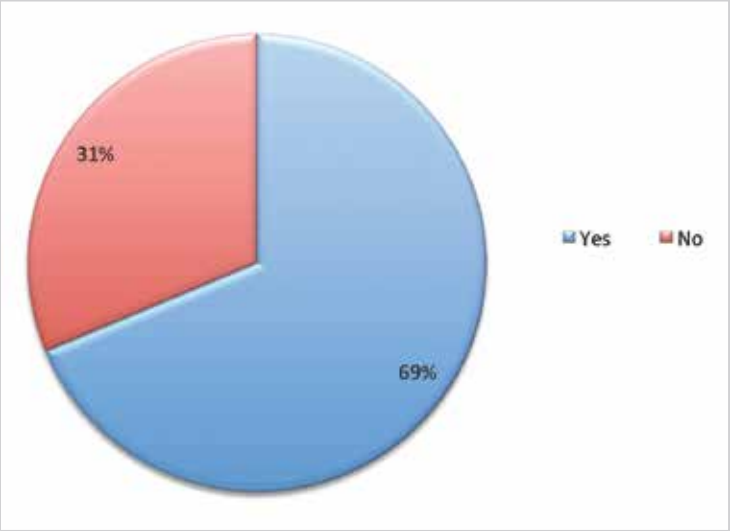

Figure 6: Do you ever worry about the security of Wi-Fi access in hotels?

If Wi-Fi is a lifeline to the rest of the world, then that lifeline is often choked and unreliable. According to our survey, 69 percent of respondents said that they have found hotel Wi-Fi registration difficult or cumbersome. The process often involves remembering a password that's given verbally at the front desk, entering a credit card number and other identifiers, and then, to top it off, many hotels require their guests to repeat this cumbersome process every day.

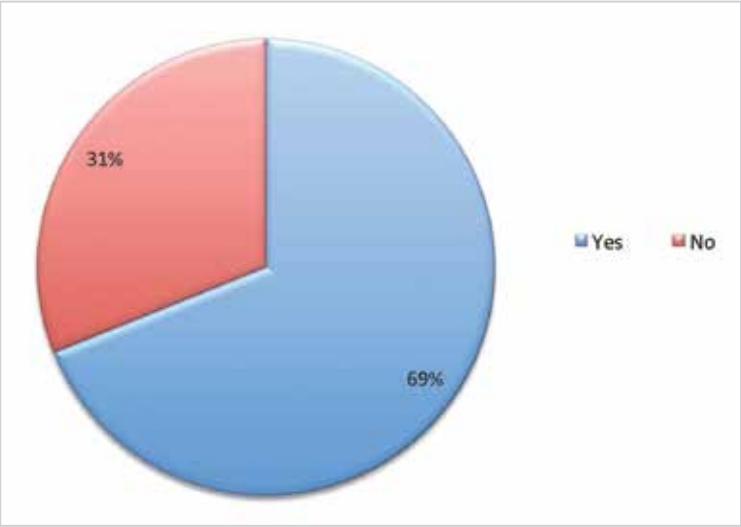

Figure 7: Is registering for hotel Wi-Fi difficult or cumbersome?

While no one can blame hotels for using Wi-Fi as a marketing tool for the brand, and as an opportunity to advertise some of the hotel's other amenities, ultimately, the majority of mobile workers are frustrated with the experience.

Internet in the air

Inflight Wi-Fi is a growing phenomenon. To meet the demands of mobile workers and others who need to stay connected no matter where they go; many airlines now offer passengers Internet access while in flight. The ability to stay connected to colleagues, participate in meetings, collaborate on documents, and maintain a high level of responsiveness with customers and clients is improving productivity for mobile workers. Air time is no longer down time.

Paying for inflight Wi-Fi is another matter. Mobile workers are split about their willingness to pay for Wi Fi access in the air. Almost half (49 percent) wouldn't pay for it if offered. However, 51 percent were willing to pay for it, and of those workers, seventy-nine percent reported that they would be willing to spend as much as $10 (€8/£6) for an online session in the air. (The duration of the access or the amount of data to be consumed for that cost was not part of this survey.)

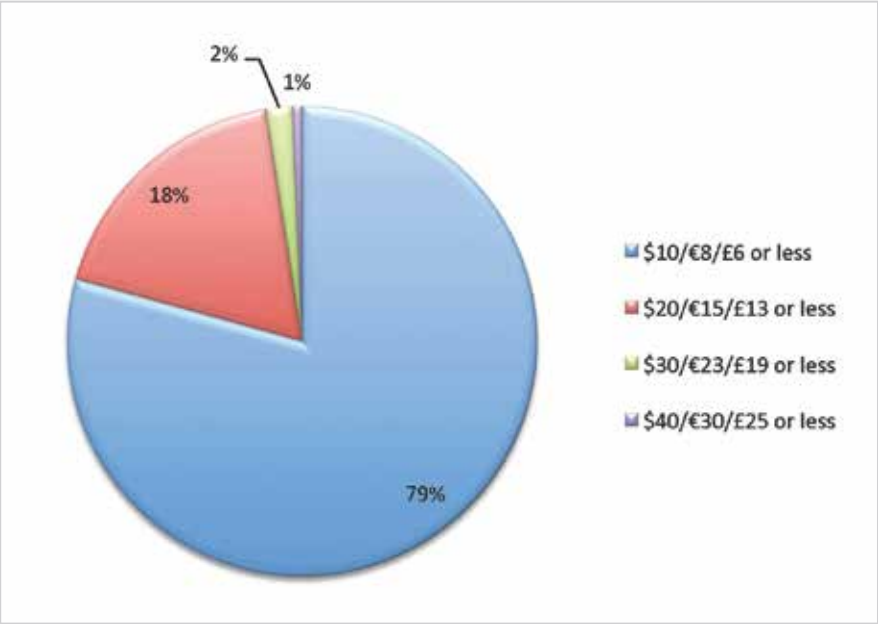

Figure 8: How much would you be willing to pay for inflight Internet access?

Consumers are making choices about airlines based not only on price and schedule, but on whether or not Wi-Fi will be available on board. Inflight Internet is now something that is getting a lot of attention. This is a fairly new offering for the airlines, but it is definitely in a growth pattern; among mobile workers, almost one-third of those surveyed indicated that they take Wi-Fi into consideration when choosing a flight.

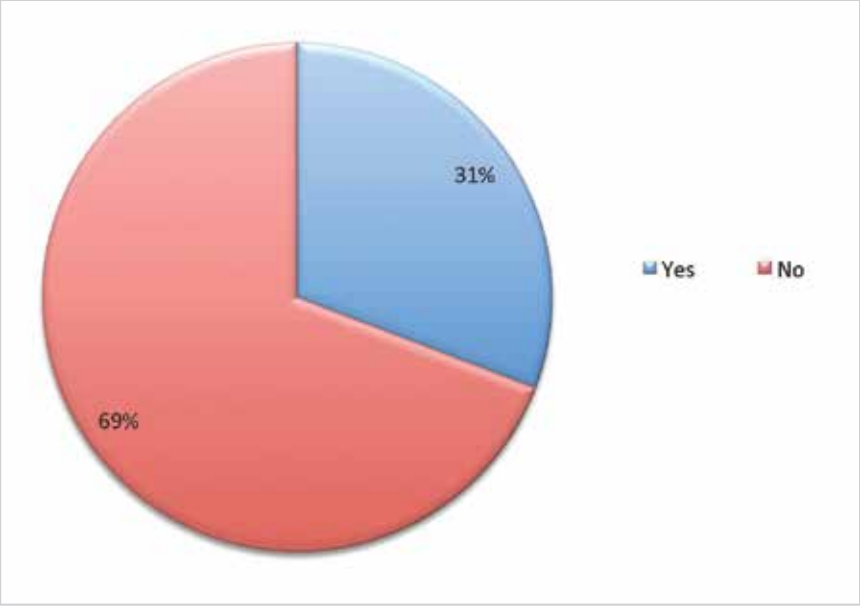

Figure 9: Does the availability of inflight Wi-Fi ever influence your decision on what airlines to fly?

Cost drives Internet usage while traveling

While half of the respondents would be willing to pay for Wi-Fi while in the air, concerns about costs keep many mobile workers from taking full advantage of their smartphone or tablet while they travel. Only 18 percent said that they don't limit the use of applications while roaming. The vast majority, however, do exercise restraint, and web browsing takes the greatest hit at 56 percent. Workers are also a lot less likely to use mobile apps while they're roaming. If traveling workers won't use apps designed to help travelers because of the expense, then those apps can't be very useful to the very people who need them the most.

If mobile workers feel that connecting via 3G or 4G is necessary for their job, they are more likely to be willing to use it. Only 16 percent will limit their use of corporate applications, such as an ERP system or cloud-based CRM. When it comes to personal data usage, mobile workers are more careful; 39 percent of mobile workers said they limit social media video streaming services when they are roaming, and thirty-five percent limit video chat services. Interestingly though, email—typically the number one go-to for mobile device users—gets limited (31 percent) more than services that users think consume less data, such as audio streaming (28 percent).

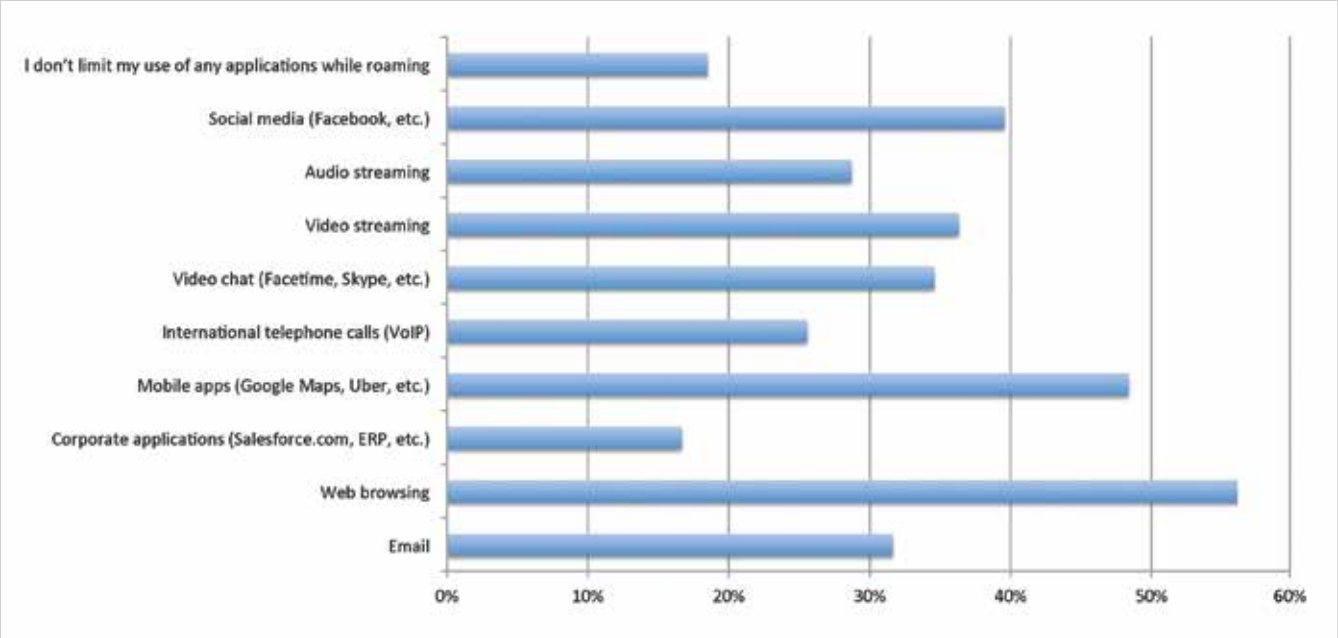

Figure 10: Do you limit application use while roaming due to concerns about cost? *(Check all that apply.)*

Wi-Fi day pass costs are relatively flat—but are still high

Six months ago, mobile workers were paying about the same for Wi-Fi as they are paying now. The going rate for a Wi-Fi day pass averages between $10 (€7.5/£6) and $30 (€23/£19).

Despite the proliferation of free hotspots in North America, more North Americans pay more than $60 (€45/£38) per month for Wi-Fi day passes than any other group. As the price point increases, other regions top out: European and Asian willingness to pay for Wi-Fi access drops precipitously between $40 (€30/£25) and $50 (€38/£31). And in the Middle East, it drops off the scale above $30 (€23/£19).

Figure 11: Global view: How much do you spend on Wi-Fi each month, in addition to 3G/4G data access?

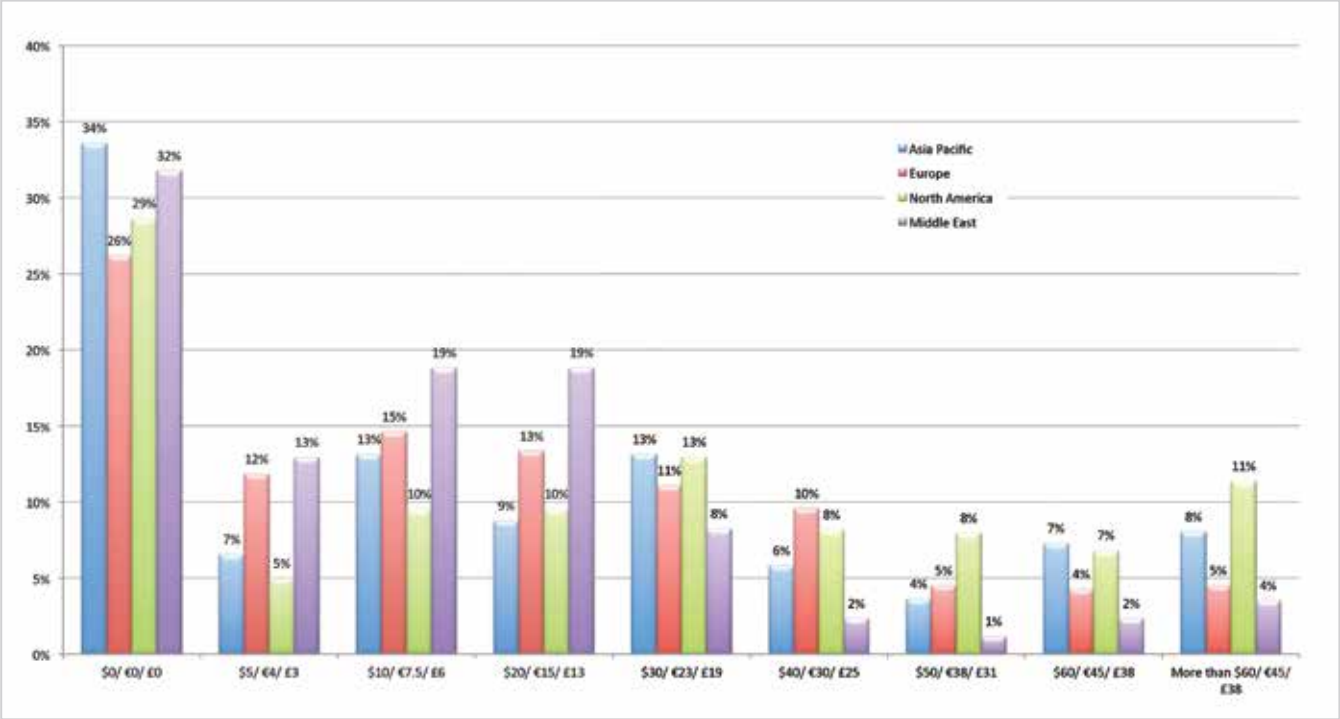

Figure 12: Regional view: How much do you spend on Wi-Fi each month, in addition to 3G/4G data access?

Is Unified Communications taking off?

One of the trends worth exploring is that of Unified Communications (UC). In one form or another, UC is one of the fastest-growing trends in many corporations around the world, but our analysis indicates that the term itself might be unknown outside of the IT environment. UC is actually a series of tools, which are sometimes better known by most users by other names, for example, Box.net or Dropbox for file sharing, and WebEx or GoToMeeting for videoconferencing and online collaboration. A user's "presence," or online availability, is also important to the UC suite of tools, and this could be one reason why there is such a demand for continual connectivity. While only about one-third of respondents say they're using specific UC technologies, many more are using related technologies.

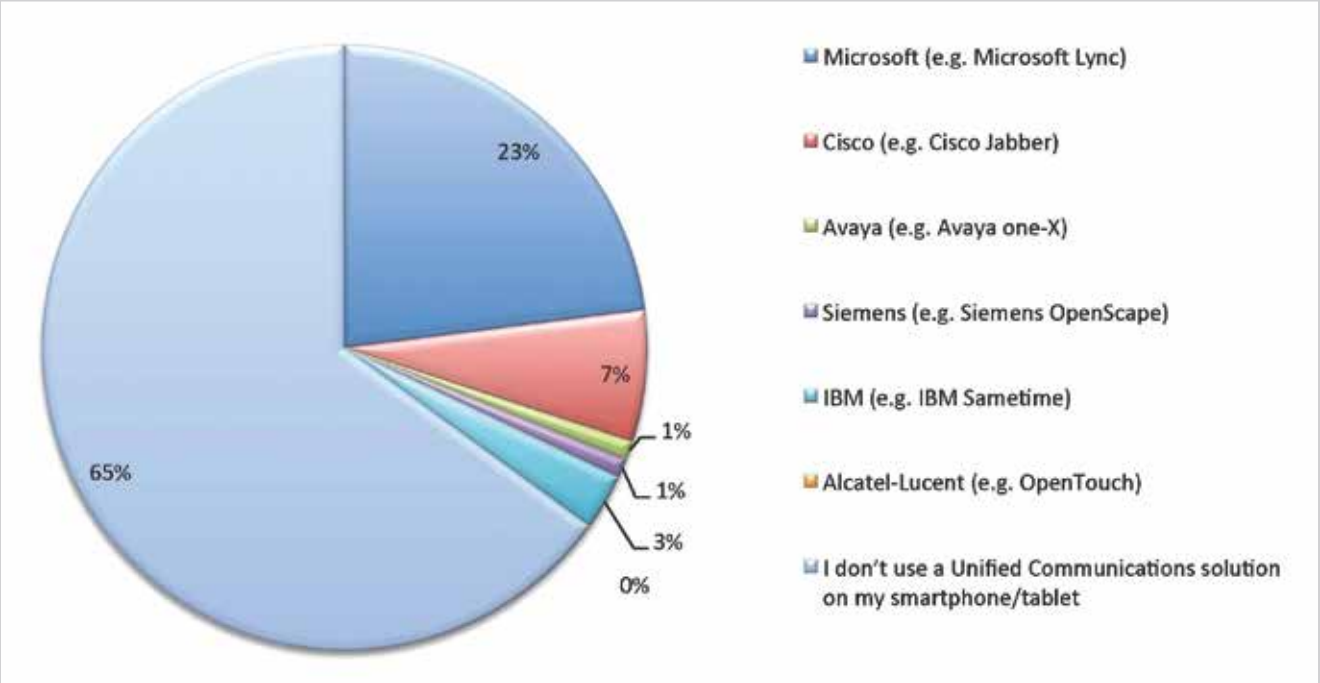

Figure 13: Do you use any of the following Unified Communications solutions on your smartphone or tablet?

Work versus leisure travel: Wi-Fi behavior changes

"What is a weekend?" asked a bewildered Dowager Countess in the TV series *Downton Abbey*. A woman of leisure saw no difference between workdays and holidays. It seems that mobile workers are asking the same question today, blurring the days between working and vacation. Last year, iPass discovered that the majority of mobile workers continued to log onto the Internet for business while on holiday, and this year, we see the trend continuing, but the frequency changing. Last year, 28 percent of mobile workers logged in from vacation once a day, and now that figure has dropped to 22 percent. However, those workers aren't disconnecting, they're logging in more often. While last year, only 29 percent reported logging in from vacation two to five times a day, now, 37 percent report that many logins. Those who log in five or more times a day grew from six percent a year ago to 13 percent this year.

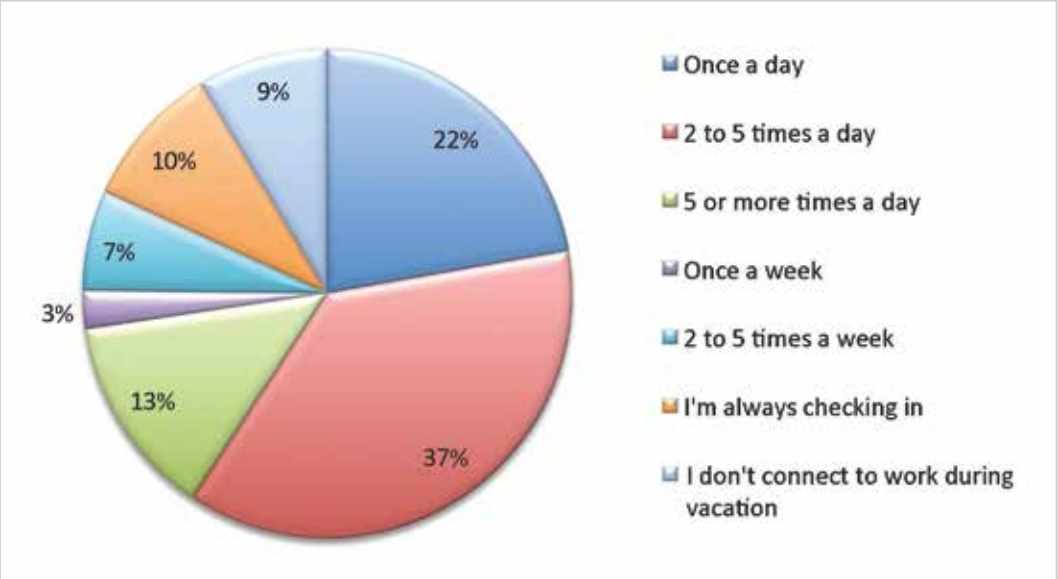

Figure 14: If you stay connected to technology for work when you are on vacation, how often do you connect?

Tablets: Regardless of platform, a disruptive force for Wi-Fi connectivity

Tablet computers continue to be a growing favorite among mobile workers. Among those surveyed, the original 10-inch iPad continues to be the favored device, but new 7- and 8-inch form factors introduced by the iPad Mini and Nexus 7 tablets are growing in popularity. In fact, 47 percent of respondents picked 7- and 8-inch tablets as an intended tablet purchase in the next six months. This compares with 29 percent of respondents who had plans to purchase the full-size, 10-inch iPad in the next six months.

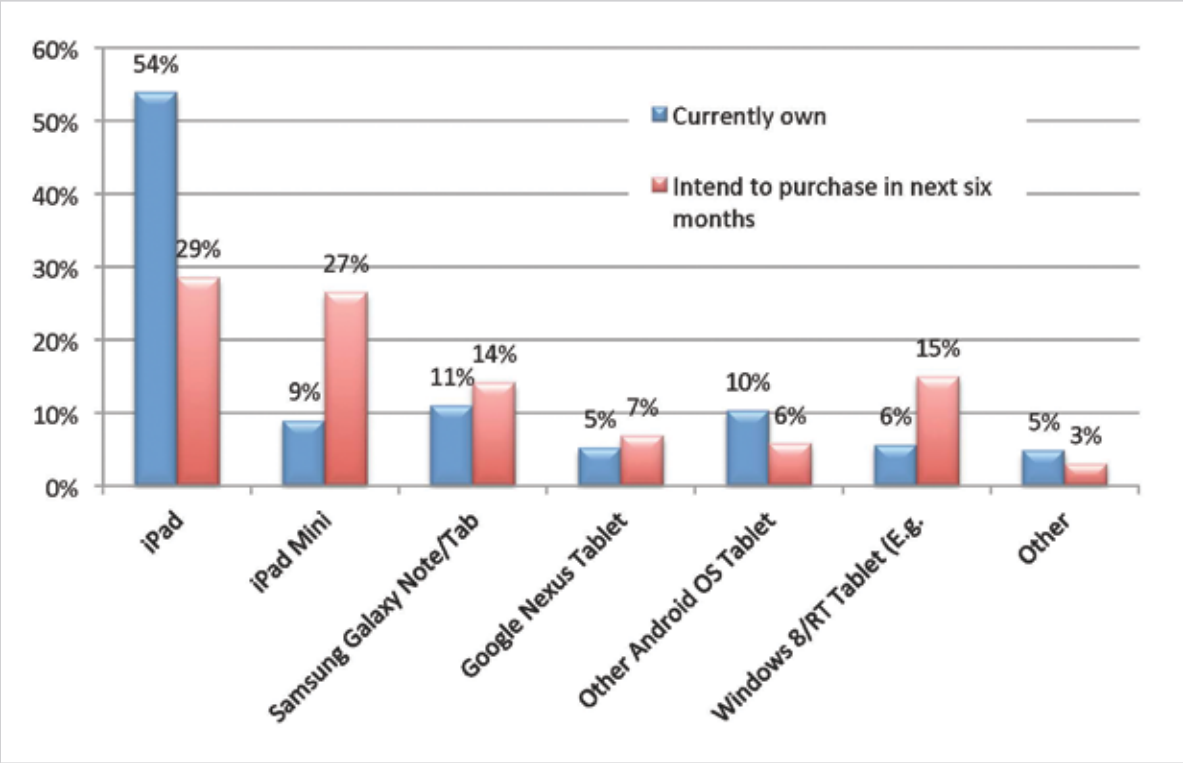

Figure 15: Do you currently own or intend to receive or purchase any of these tablets in the next six months?

According to *Flurry Analytics* (Dec 2012), 68 percent of all tablets are shipping with Wi-Fi as their only form of connectivity. Enterprise tablet growth is expected to grow very aggressively, increasing from 27 million enterprise tablets in 2012, to 47 million projected for 2013 (source: *Business Insider Tablet Report 2012*).

Conclusion

Wi-Fi is a disruptive force that's changing the way the world communicates, travels, works, and plays. Hotels have an enormous opportunity to improve their brands and build loyalty among customers by implementing changes to bring guests a service they're demanding—reliable, secure, in-room Wi-Fi. Mobile workers see Wi-Fi connectivity as a basic, expected need that should be provided by any hospitality establishment. Respondents told us clearly that a hotel's failure to provide this basic need would cause them to seek out a different hotel the next time they travel.

Meanwhile, the cost of 3G/4G roaming is still prohibitively expensive, and cellular data is slow, particularly in this era of data-heavy business applications like videoconferencing and cloud-apps. Mobile workers are spending more time online doing work, not only in hotels and in public, but even while in transit between locations, and now they even stay connected when on vacation. Today, even tourist revenue is affected by Wi-Fi technology. The stakes are high: Wi-Fi is the catalyst for a quickly approaching tipping point of what business travelers and tourists find unacceptable, and the hotel brands that are able to provide this basic need may be the ones to find the greatest success.

Survey Methodology

The Q3 2013 iPass Mobile Workforce Report is based on information gathered in an online survey from over 1,375 respondents who identify as mobile workers at hundreds of enterprises worldwide. iPass asked these respondents about their habits and preferences regarding Wi-Fi, smartphone, and tablet usage, and their feelings about Internet access for these devices for business and leisure travel in hotels around the world.

The survey was conducted between June 27, 2013 and July 19, 2013 and represented employees across varied geographies and profile demographics. Their common denominator was that they identified themselves as employees who traveled for business purposes. In this survey, 40 percent of the respondents represented North America, 36 percent were from European countries, and 12 percent of the responses came from the Asia Pacific region. Eight percent answered from the Middle East, and the remainder were from South and Central America, Africa, and other unnamed regions—which accounts for the remaining four percent of the responses.

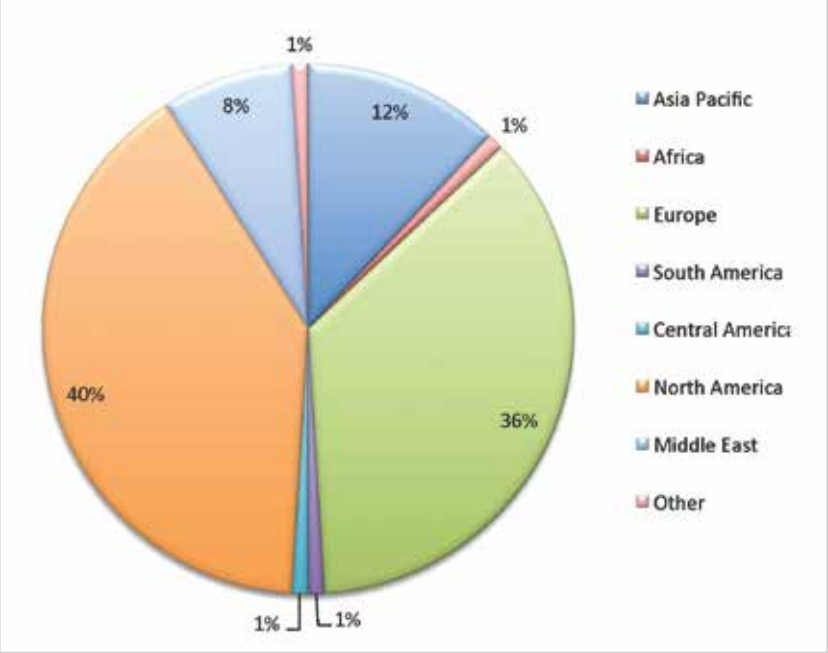

Figure 16: Regional breakdown of responses

The greatest number of respondents, 82 percent, was between the ages of 22 and 54. Fourteen percent were between 55 and 64, two percent over 65, one percent was less than 21, and one percent declined to answer. The largest single demographic was between the ages of 35 and 44.

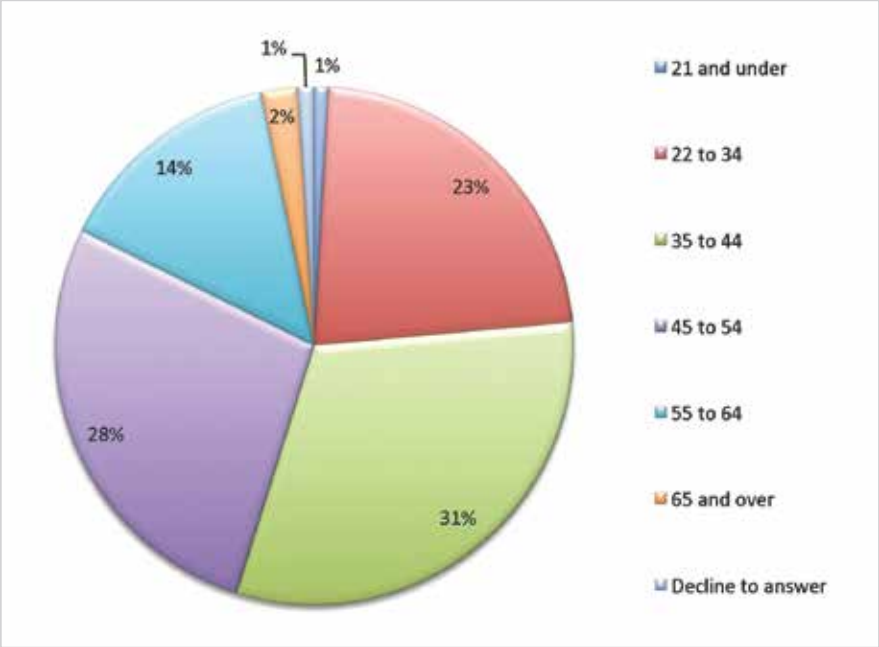

Figure 17: Ages of survey respondents

The iPass definition of "Mobile Employee": Any worker using any mobile device, including laptops, smartphones, cell phones, or tablets, and who accesses a network for work purposes, either full time, occasionally, or during travel, is a mobile employee.

About iPass

With the world's largest commercial Wi-Fi network, and trusted connectivity platform, iPass provides seamless connectivity virtually anywhere. With more hotels, airports, and business venues than any other network, iPass helps enterprises and service providers ensure always-on, frictionless connectivity for employees and customers anywhere in the world—easily, quickly, securely, and cost-effectively. Learn more at ipass.com/try-it/, or on the Smarter Connections blog, or contact iPass: ipass.com/contact-ipass/

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