

## **Taking the wireless route – rewards for dealers**

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In an industry awash with 'next big things', knowing which products and technologies to focus the sales effort on requires excellent market intelligence and occasionally a bit of good luck. While it generally pays to look forward in product strategy, it sometimes helps to look back as well to see if an established product's time has finally arrived.

Wireless routers are a case in point. They have been around for a number of years now, selling steadily but it is only now that the demand has started to snowball in both the consumer and small business sectors.

#### **Preparing for take-off**

According to market research firm GfK Group, there has been an explosion in the sale of wireless communications technology so far in 2006 with wireless routers seeing a 108% increase in first quarter sales compared to the same period in 2005. In total, 380,000 units were sold in the UK in the first quarter scooping their suppliers £24 million.

Industry analysts are not the only source reporting the increased demand for wireless routers. Upmarket estate agency Cluttons says that the first thing many younger tenants do when they visit a flat is fire up their laptops to check that wireless broadband is already installed in the property. In other words, wireless routers have reached the point where they are expected by end-users; further evidence that the product has moved from the margins to the mainstream.

So what is driving the take-up of wireless routers? The answer is a blend of factors coming together at once. First, the price of wireless routers and wireless network interface cards have fallen to a point where they are comfortably within the range of small businesses and consumers. Secondly, security, traditionally perceived as the bane of wireless communications, has improved considerably in recent years, adding robustness and shedding complexity. Nowadays, wireless routers come secure out of the box, making them more attractive to end-users without IT support.

#### **Closing the gap**

Finally and perhaps most crucially in terms of future growth, the scramble for customers in the broadband industry is helping to generate an increased need for wireless routers.

With Internet Service Providers in a bid to outdo each other, 8mbps is well on its way to becoming the de facto broadband speed with some operators touting speeds of 16mbps and 24mbps. However, as many consumers and small businesses are now discovering, the advertised speeds are rarely what end-users ultimately experience. Instead, they are just the top end of what the broadband connection is capable of reaching if a number of criteria are met. Chief among these is the distance a user is from the exchange. The greater the distance, the lower the speed is.

In fact, speeds are very sensitive to even minor extensions in distance. Take a small-scale office building. The business on the bottom floor closest to the exchange will enjoy a consistently faster Internet connection than firms on the floors above, relying on large amounts of often low quality or old extension cable to link their PCs to the router.

It is in bridging this distance gap and delivering improved speed performance that wireless routers are satisfying the needs of residents and businesses in apartment and office blocks alike. For a small one-off cost, wireless routers can be placed wherever the user wants, eliminating the distance between PC and router and recovering several lost megabits of speed in the process.

### **Ready for tomorrow**

The success of wireless routers is due to more than just contemporary speed advantages. From THUS' experience, dealers are finding wireless routers are popular with small businesses as a way of future-proofing themselves to take advantage of ever-increasing broadband speeds. The alternative for companies wanting to upgrade to faster broadband access is continually upgrading the physical connection leads each time their requirements change, a convoluted and costly procedure. By contrast, wireless routers can instantly accommodate faster broadband speeds without needing to update the office's internal infrastructure.

Finally, wireless routers are exploiting the continuing shift towards remote working. When a wireless router is used in a remote environment, an employee's home for example, it allows the user to manage office-related voice and data communication through a single device. Using a Voice over IP client, laptops hooked up to wireless routers can be used as portable phones by remote workers allowing businesses to save money on mobile and fixed line calls.

While some wireless technologies such as 3G mobile data cards remain firmly locked in the corporate business channel according to GfK, wireless routers have proved to be the perfect cross-over product able to sell successfully to corporate teleworkers, small businesses and consumer audiences. It is that multi-market appeal added to product improvements in areas like security and external factors (namely the broadband speed race) which is catapulting wireless routers to the front of the dealer's sales arsenal.