

PUBLIC VERSUS PRIVATE WIFI:

# THE BUSINESS CASE FOR BOTH



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## INTRODUCTION

The number one challenge facing small- and medium-sized businesses is getting more business. Attracting new customers and retaining existing customers is critical for growth and success. Businesses in all industries and market segments are on the hunt for strategies and tactics that produce customer growth. One tool that is increasing in popularity is high-speed public WiFi, or wireless networking technology.

With escalating use of mobile Internet service comes demand for 24x7 Internet access. Wherever customers are, they want to be able to access their email, phone, text messages, and the web. The 4.1 billion mobile users in 2013 will swell to 4.9 billion by 2018, reports Cisco. As users increase, so, too, does their bandwidth usage. International Internet bandwidth is growing at a compound annual growth rate of 30%, due to increased use of audio and streaming video. Global mobile data traffic is expected to grow 61% between 2013 and 2018. Overall, traffic from wireless and mobile devices will exceed traffic from wired devices by 2016, growing from 41% in 2012 to 55% in 2017, according to Cisco.

Coupled with rising demand for access is the rising cost of mobile data plans and caps on data usage, which are driving consumers to seek out free WiFi service. Businesses that offer WiFi access at no additional charge are attracting new customers and increasing the amount of business they do with existing customers.

JP Licks Homemade Ice Cream Cafe, the Boston-based chain of 12 locations, installed public WiFi in 2013 as a way to encourage new customer visits when business was slow and to serve regular customers who had requested it. The result has been more traffic and more business, reports Vincent Petryk, JP Licks' founder and

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owner. And JP Licks is not unusual. Of companies with public WiFi, in a recent survey, 40% indicated they had gotten new customers through online word-of-mouth, thanks to their WiFi offering (Bredin). However, WiFi is more than a marketing tool.

Where public WiFi increases customer satisfaction by enabling 24x7 wireless access, a private WiFi network ensures that internal company files and information can be shared securely. When used together, the two WiFi networks offer small businesses the best of both worlds.

## PUBLIC VS. PRIVATE WIFI

Although public and private WiFi both offer the same core technology, the features and benefits of each are unique.

- **Security.** Businesses generally set up a private WiFi network on which corporate communication takes place. It is as simple as installing a commercial-grade wireless router to create an internal, secure wireless network. Private WiFi encrypts outgoing and incoming messages to provide data security for important business documents as well as allowing access to servers, email, and printers as needed. These routers are more robust than the off-the-shelf solutions consumers use and, when used with business Internet packages, permit several employees to access the Internet simultaneously.

Public WiFi, on the other hand, is not secure and, as such, is less effective for internal company use. It is, however, very effective for customer use when on the company's premises. Separating private and public wireless networks ensures that business information remains safe and secure while still providing customers

the wireless usage they have come to want and expect. That said, 62% of small businesses surveyed reported using a single WiFi network that is shared with their customers (Bredin), a risky proposition.

- **Cost savings.** Even businesses with both public and private WiFi networks can offer employees access to their public WiFi service, where they can take advantage of no-cost wireless service without logging into the company's private network. Not only can this save employees money, by reducing any mobile minutes they would be charged for, but if the business pays for the cellular service, it can save the company money as well.

By separating internal and external company WiFi use, speeds of data transfer for employees and customers can be optimized. Patrons and customers using bandwidth on public WiFi hotspots will have no impact on a private, secure WiFi network if the two are separated.

- **Set-up and Support.** In itself, setting up a router is not difficult, but setup of two networks is more involved. And it is important to make sure they are both secure. The benefit of having a commercial Internet provider is that they will often setup your WiFi equipment. And depending on the provider, they may support the equipment and the service, which is a benefit over setting up your own WiFi networks.
- **Productivity.** Being able to access servers, email, and printer networks wirelessly make it possible for employees to get more work done. Customers report the same benefits from WiFi access – being able to check email, complete work, and log into social media during times that might otherwise have been unproductive.
- **Customer Satisfaction.** Improving customer satisfaction is the main reason small businesses offer public WiFi, often in response to specific customer requests. Once installed, 80% of small businesses surveyed reported

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that WiFi was the most effective amenity to offer customers, topping other freebies such as coffee, magazines, TV, water, and snacks (Bredin). Companies have found WiFi service to also be an effective way to acquire new customers, increase sales-per-visit, and boost repeat visits.

- **Marketing Opportunity.** Being able to promote access to WiFi is another marketing tactic small businesses with public WiFi can use. Providing free WiFi access to customers qualifies many small businesses to be listed

on local WiFi locator maps, offering another potential way to connect with prospective customers. Using other marketing materials, such as window stickers and signage, helps ensure customers are aware of the availability of WiFi in the business.

## SUMMARY

Given rising demand for wireless service, private and public WiFi networks both have their place in small- and medium-sized businesses. Separating the two wireless networks provides added data security for internal company communications and value-added service for customers in need of a remote Internet connection.

Even small businesses that do not currently offer public WiFi to customers see the benefits. Sixty-one percent plan to offer it soon, 41% recognize the advantages of using WiFi for marketing, and 38% see WiFi as important to keeping up with their competition, which is already offering it (Bredin).

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## REFERENCES

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