

Driscoll-Wolfe Conducts Nationwide Study on Consumer Interest in Wireless Internet Location-Based Services

LOS ANGELES – Driscoll-Wolfe Marketing & Research Consulting has conducted a nationally projectable marketing research study on consumer interest in wireless Internet services, with emphasis on location-based services. This new Driscoll-Wolfe study identifies the wireless Internet location services of greatest interest to consumers and quantifies their level of interest and willingness to pay for these services. The study also includes in-depth coverage of consumer opinions regarding location-based advertising messages and concerns about privacy.

This study was partially funded by twenty-one companies, including major U.S. cellular operators, suppliers of wireless Internet equipment and services, developers of software for wireless platforms, telematics suppliers and automotive companies.

The Driscoll-Wolfe study is based on a nationwide survey of 20,000 households and a series of focus groups in key U.S. metropolitan areas. The research provided in-depth information on consumer opinions and preferences. It also yielded projectable data on consumer interest in wireless Internet services and willingness to pay for equipment and services.

The following are among the wireless Internet services covered in the study:

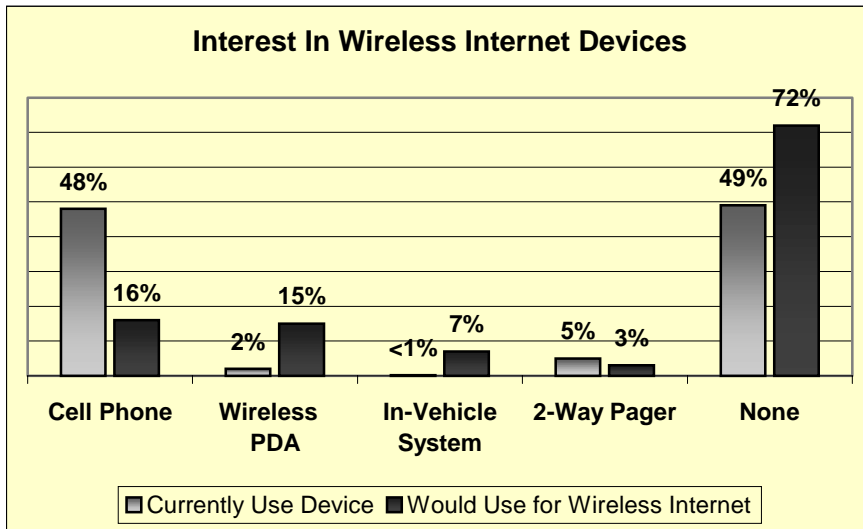
- Routing Assistance
- Location-Based Traffic Alerts
- Mobile Yellow Pages
- Roadside Assistance
- Locate Friends and Family
- Receive Electronic Coupons
- Wireless Email
- Personal Messaging (Chat with Friends)
- Information Services (News, Stocks, Sports)
- On-Line Promotions
- On-Line Purchasing
- Access Web Sites

The nationwide survey portion of the study was conducted in collaboration with NFO Research, Inc. Questionnaires were sent to 20,000 members of NFO's consumer panel. The total sample was split into two groups of 10,000 households, with each group receiving a different questionnaire. Each sample of 10,000 was balanced to key U.S. Census demographic variables, such as geographic location, household size, age of head of household, cellular phone ownership and income. Completed questionnaires were received from over 13,500 panel members.

The survey assessed consumer awareness, interest and willingness to pay for wireless Internet devices and services. Respondents indicated whether they ex-

pect to use wireless Internet services in the future and identified the types of devices they would prefer to use to access these services. They also ranked their interest in individual location services and indicated their willingness to pay for these services on a per transaction or monthly basis. In addition, participants reported how frequently they would expect to use each listed location service.

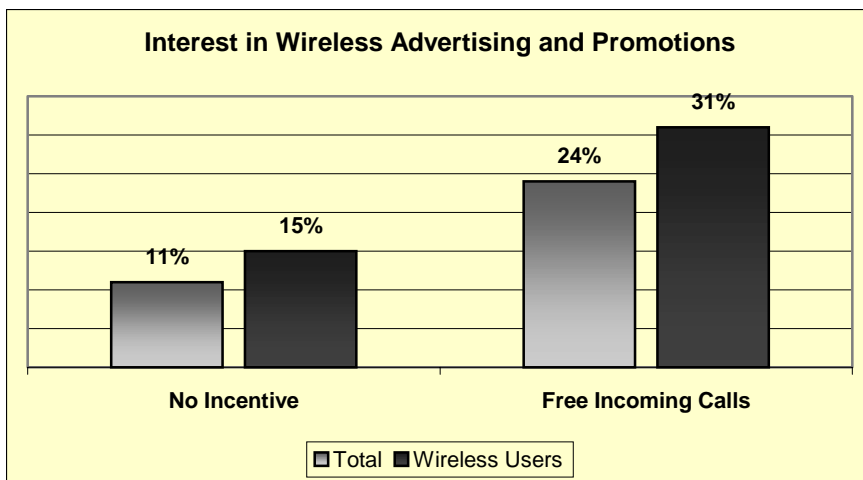
The study compares consumer interest in location-based wireless Internet services to non-location services, such as wireless email. It also reveals the maximum amount consumers are willing to pay to have GPS incorporated into a cellular phone or other wireless device in order to access location services.



This chart shows the percentage of survey respondents who currently use wireless devices, as well as the percent who expect to use these devices to access the Internet. While nearly half the sample (48%) currently use

cellular phones, only 16% expect to use a cellular phone to access the Internet. Only 2% of those surveyed currently use a PDA with Internet access capability, but 15% expect to use a PDA to access the Internet in the future.

As shown below, the survey confirmed consumer resistance to wireless advertising and promotions, but also showed that incentives can reduce this resistance. Only 15% of wireless subscribers expressed interest in receiving promotional announcements from nearby retailers without an incentive, even if they can select the stores from which announcements are received.



However, nearly one-third (31%) of wireless subscribers expressed interest in receiving promotional messages in exchange for free incoming calls.

The survey also compares interest in services and willingness to pay based on criteria including gender, household income, age, use of wireless devices and regular use of the Internet.

The qualitative portion of the study consisted of eight focus groups, including two groups in each of the following metropolitan areas: Washington, D.C., Chicago, Dallas and Los Angeles. In each city, one focus group was conducted with cellular subscribers who use their cell phones primarily for business and have an average monthly bill of \$75 or more. The other group was conducted with individuals who use cellular primarily for personal communications, with an average bill of under \$75 a month. All participants also use the Internet on a regular basis.

The following are among the key findings from the focus groups:

- Participants expressed a higher level of interest in Routing Assistance than any other wireless Internet service.
- Most respondents would prefer a portable device over a vehicle-mounted device for accessing wireless Internet services.
- Participants expressed a high level of interest in location-based Roadside Assistance service. Most would prefer talking to a live roadside assistance operator rather than depending on an automated system.
- Many respondents are concerned about the potential impact of location-based services on privacy. They emphasized the importance of being able to control who receives their location information.

Driscoll-Wolfe Marketing & Research Consulting, with offices in Los Angeles and Palos Verdes Estates, CA, conducts multi-client and private marketing research studies covering wireless communication products and services. The current study is the company's fourth multi-client study and the third emphasizing location-based services. Charter subscribers to previous Driscoll-Wolfe multi-client studies have included Microsoft, Motorola, QUALCOMM, Lucent Technologies, AT&T Wireless, GTE Telecommunications, the Automobile Club of Southern California, General Motors OnStar, Bell Atlantic Mobile Services, Trimble Navigation, ATX Technologies, Daimler Chrysler, AllTel Mobile Communications and other major corporations.

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