

Up...Up and Higher!

Thanks to mass adoption of smart mobile devices and BYOD, the wireless LAN industry is on cloud 9



Highlights

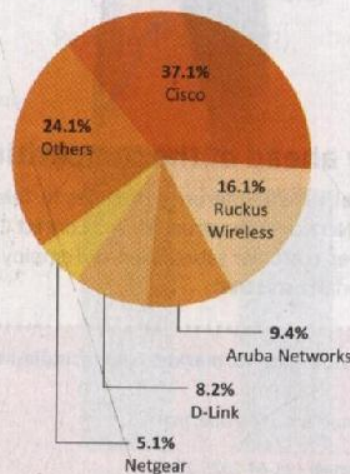
- Hospitality, education, retail sectors are fast adopters
- Mobility and BYOD is fueling growth of the sector
- IEEE 802.11n standard will support industry's demand
- Cloud, VoWLAN, 3G, HSxPA, EVDO, and TD-WCDMA technologies are growth drivers
- MIMO (Multiple Input Multiple Output), packet aggregation and channel bonding are three primary innovations propelling growth

The wireless LAN sector is in high spirits as there is no turning back for the players showing impressive growth in the last fiscal with impeccable 22% growth. And all thanks to mobility and BYOD (Bring Your Own Device), the industry has picked up what seems like a never ending momentum and its revenues skyrocketed from ₹419 crore in FY11 to ₹510 crore in FY12.

Topnotchers

The increase in demand of devices with Wi-Fi, high bandwidth, and triple play capabilities at low costs are only a few to mention for the industry's success. Wi-Fi is considered as one of the most cost effective and high bandwidth technology solution for its subscribers by Telcos and MSO.

Market Share
Total Market Size: ₹510 crore



V&D Estimates

In command is Cisco with impressive 37% market share and has shown growth of 21% in FY12. Ruckus Wireless is the second in line which has grown aggressively in the last fiscal. Ruckus grew 30.2% in FY12 with its total WLAN revenue accounting to ₹82 crore. It has hospitality, education, and healthcare as its largest contributors in terms of revenue. Moreover, the company has been involved in many other major projects including the deployment of wireless LAN at Mumbai airport, Delhi University, Oberoi Hotels, Delhi Airport Metro, and YOU Broadband. Aruba Networks third in league showed significant growth of 50% in FY12 and attained 9.4% of the total market share.

D-Link grew 40% from FY11 in this fiscal whereas Netgear attained 36.8% growth in FY12. The influx of smart mobile

Top Players (FY 2011-12)

Players	Revenue (in ₹crore)		Change (%)
	FY 11-12	FY 10-11	
Cisco	189	156	21
Ruckus Wireless	82	63	30
Aruba Networks	48	32	50
D-Link	42	30	40
Netgear	26	19	37
Others	123	119	3
Total	510	419	22.0

Others include: Dax Networks, Digisol, Allied Telesis, Proxim, Belkin, Juniper and others

V&D Estimates

devices and the continued proliferation of high performance 802.11n network are driving enterprises to upgrade and replace the existing wireless infrastructure. Mobility has played a very important role in driving the growth of WLAN. Now BYOD will further emphasize on the necessity of Wi-Fi as the most cost effective, secured, and reliable technology. This boom is being fueled by the escalating sales of smartphones and tablets.

Future Trends

WLAN industry has seen various segments adopting WLAN. Education and hospitality have been the largest contributors in its growth in the country. Even the healthcare sector has started adopting WLAN.

So, the market for WLAN continues to grow as new wireless standards enhancing performance, reliability, and security are put in place. Most enterprises have opted for WLAN or intend to deploy 802.11n based WLAN. Success in selecting a WLAN hinges largely on how well it integrates with the existing environment. Enterprises and campuses want to deploy enterprise-class wireless networks that offer simple and secured mobile services such as guest access, VoWLAN, location aware, and other security features.

As companies seek wireless solutions to gain a competitive edge, Wi-Fi applications on the manufacturing shop floor in warehouses and points-of-sale

will drive faster and more accurate transactions. Enterprise mobility has also emerged as one of the key priorities for CIOs and IT managers across all geographies, and the growth of WLAN market is a clear testament to the market dynamics.

Today with 11n, Wi-Fi is considered very reliable and is capable of managing high density BYOD challenges. CXOs have realized that it is the most cost-effective solution which is not only reliable but also provide high bandwidths and takes care of security. The latest trend is the addition of VoIP technology to wireless networks (VoWLAN). Adoption of this technology

helps in reducing costs effectively through collaboration. Also, the collaboration between RFID and wireless is leading to new mobility applications and solutions for industry segments like manufacturing, retail, and healthcare.

The WLAN technology is in a constant state of development due to the introduction of various standards as well as security measures. The wireless LAN technology has evolved rapidly in the recent years with 802.11n standards. The industry has also adopted the 802.1x secure authentication framework. This system enables users to authenticate and encrypt data traffic on the wireless medium.

Another emerging technology in this segment is IEEE 802.11n. This solution will operate in the 2.4 and 5 GHz radio bandwidths, offering backward compatibility with pre-existing 802.11a/b/g deployments. Wireless solutions based on the 802.11n standard employ several techniques to improve the throughput, reliability, and predictability of wireless LANs.

The 3 primary innovations which have further improved the growth are MIMO (Multiple Input Multiple Output) technology, packet aggregations, and channel bonding. Together these techniques allow 802.11n solutions to achieve an approximate 5-fold performance increase over the current 802.11a/b/g.

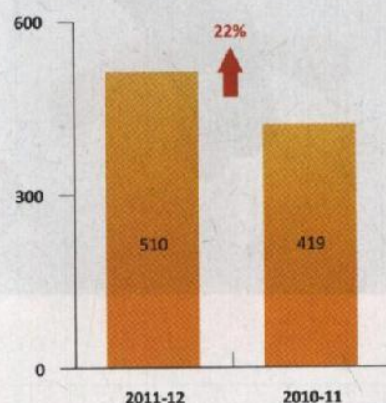
Today, IEEE 802.11n, 3G, HSxPA, EVDO, and TD-WCDMA are some of the technologies that vendors are adopting in India for a complete solution. The cloud, on the other hand, is another major growth driver. Devices and services and software are becoming more integrated with each other, and accessibility on the go is gaining popularity. There is going to be more public WLAN access providers (hot spot) with data roaming agreements and different service providers. Users get flexibility to roam with any WLAN access provider, while being customer of one service provider of his/her choice.

Akanksha Singh

akankshas@cyberemdia.co.in

Market Size (in ₹crore)

Revenue (FY 2011-12)



V&D Estimates