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Hospitality Findings Report

Hotels Stand To Lose Repeat Business with Poor Wi-Fi Service

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Introduction

AFTER A TWO-YEAR SLUMP the travel industry is finally seeing a resurgence in air travel¹ and an increase in hotel occupancy year-over-year². However, the business traveler is still required to be more discerning, not only with travel arrangements, but also with productivity. While the increasingly mobile workforce is more productive, working 240 hours more a year than the average worker according to the iPass Mobile Workforce Report, there is also an expectation of always connected, always online.

Hotels need to ensure that the lucrative business travel segment has the Wi-Fi connections they need in order to communicate at all times during their stay. In the third quarter of 2010 global business travelers spent 37 percent of their entire network connection time during business trips at hotels –the number one connection point for these busy workers. On average they spent nearly 90 minutes connected each time they logged on³.

The impact of Wi-Fi services at hotels cannot be underestimated especially when trying to ensure good business traveler retention rates. Regardless of whether the Wi-Fi service is an additional paid service or a free service, business travelers need to access their corporate networks, communicate via email and use Unified Communication tools that enable them to perform productively in their employment roles.

Business traveler guests expect the same standard of service from a hotel concierge as they do from their Wi-Fi service and if hotel guests don't get the network service they need – they will find another hotel that does provide good Wi-Fi service

Executive Summary

The iPass hospitality report findings uncovered several business traveler trends. Highlights of the findings include:

- 95 percent of business travelers care if there is Wi-Fi or a wired connection in a hotel
- 63 percent of business travelers confirm, prior to booking, whether a hotel has Internet, 24 percent assume a hotel has guest Internet connections
- A poor hotel Wi-Fi experience influences 36 percent of business travelers on whether they re-book that specific hotel in the future
- A poor hotel Wi-Fi experience influences 16 percent of business travelers on whether they re-book that hotel chain in the future
- Business travelers aged 35-44 are more likely to post complaints on travel websites, followed by 45-54 year olds.
- 79 percent of business travelers return to the same locations on business trips – 22 percent do this frequently
- 17 percent of business travel hotel guests don't inform the hotel when they have a poor Wi-Fi experience
- 22-34 year-old business travelers are more forgiving with a poor hotel Wi-Fi service with only 25 percent stating it influences whether they book that specific hotel in the future

¹ <http://www.zacks.com/stock/news/44447/Sky+Traffic+High+in+November>

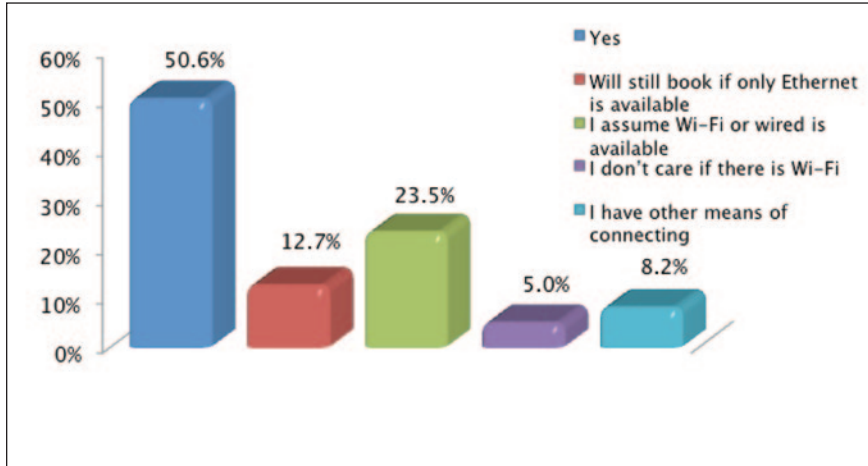
² STR Reports US Hotel Performance for the Week Ending December 4th - 2010

³ Based on 265,000 iPass Enterprise users in Q3, 2010

iPass Hospitality Findings

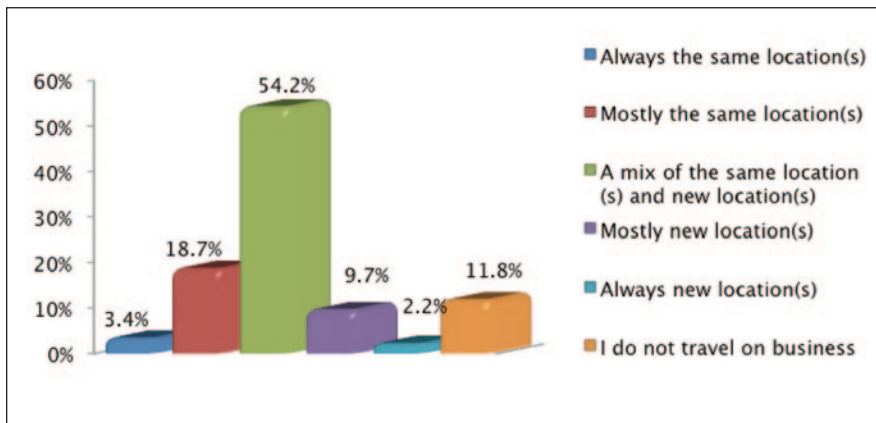
Do you check if Wi-Fi is available before you a book a hotel?

63 percent of business travelers check prior to booking a hotel whether a Wi-Fi or a wired connection service is available and 24 percent of business travelers presume a hotel has this service. Only 5 percent of business travelers don't care if a hotel provides internet connection, while a further 8 percent carry their own MiFi, or MiFi like service, which allows a hotel guest to connect multiple Wi-Fi enabled devices to their own 3G or 4G network.



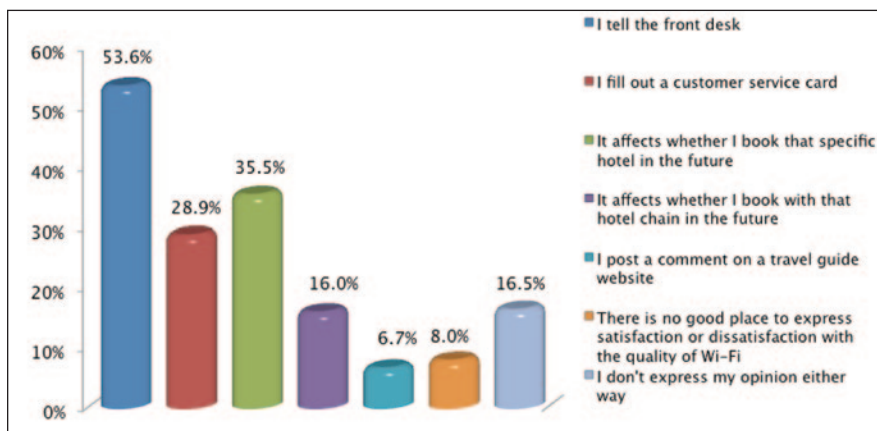
Do you travel to the same locations or new locations on business?

Overwhelmingly most mobile workers return to the same destinations. 76 percent return to the same destination on business trips and 22 percent return to the same places frequently. Approximately 12 percent of business travel is mostly to new locations.



How do you express your disappointment with Wi-Fi at your hotel?

While hotels are doing a good job of following complaints with hotel Wi-Fi problems (83 percent of business travel guests inform the front desk or fill out a card) it can still cost hotels dearly in terms of guest retention. Nearly 36 percent of business travelers stated that a poor Wi-Fi service influences their decision to stay with that particular hotel again and for 16 percent it influences whether they book that hotel chain again.



*Respondents were allowed to choose multiple answers on this question

Methodology

The results of these findings are based on a statistical survey of nearly 1,200 mobile enterprise employees during the fourth quarter of 2010. This online survey was conducted globally and represented business travelers from a number of large enterprises across multiple age groups. 48 percent of respondents were from Europe and Asia, while 47 percent of respondents were from North America. The survey respondents were asked about their productivity, work habits, and related experiences.

About iPass

Founded in 1996, iPass (NASDAQ: IPAS) is a leading provider of enterprise mobility services with 3,500 customers, including more than 420 of the Forbes Global 2000. The company's mission is to be the voice of the enterprise in the market for mobility services by providing solutions that simply, smartly and openly facilitate access from any device on any network, while providing the visibility and control necessary to contain spiraling mobility costs, maximize mobile user productivity, and maintain security in a world where consumers now drive enterprise IT. For more information, visit www.iPass.com or follow iPass on Twitter at www.twitter.com/iPass.



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