

# Is free Wi-Fi a good deal for coffee shops?

September 30 2009, By Chris O'Brien

---

Free Wi-Fi has turned coffee shops into de facto work spaces. That's good for a region full of digital nomads armed with laptops who want to escape the isolation of working alone. But it's been a mixed blessing for coffee shop owners, who have found the economics of free Wi-Fi a complex brew. While many coffee shops have embraced this increasingly mobile workforce by rolling out extras like power strips, others have sought to subtly discourage or limit freeloaders who can be a drain on the bottom line.

It's a tricky balance that shop owners will have to continue to manage in an age when customers have come to see free [Wi-Fi](#) as a right, every bit as vital as the coffee being served.

"I like the coffee shop because I can work but still be out in the community," said Daniel Garcia, a pastor at Hillside Evangelical Free Church in San Jose. "It's more social than being in my office all day."

Free Wi-Fi seems to be ubiquitous at independent [Silicon Valley](#) coffee shops. Wi-Fi is also available at chains such as Peet's and Starbucks, though the offerings can be a tad more complex.

Peet's gives customers a code to access the store's Wi-Fi for two hours after they purchase something. At Starbucks, customers who activate a Starbucks Card can get two hours of free access with each visit. And if they have AT&T broadband at home, they can also use Starbucks Wi-Fi for free. Otherwise, it costs \$3.99 to access the Starbucks Wi-Fi.

A Starbucks representative noted that in the six years since the company began offering Wi-Fi, it found the average customer's session lasted less than 60 minutes. So the two-hour limit was not a problem for the majority of users.

But that's still less convenient than Monsieur Beans, a coffee shop in Willow Glen that is a digital nomad's delight. I met Garcia at Monsieur Beans while we were both working there recently. The Wi-Fi is free, and there is a generous supply of power strips to keep laptops humming. And nobody gives you an evil stare if you're chatting on your cell phone or conducting a meeting.

Garcia is a good example of why people are attracted to coffee shops as workplaces. He has a private office at his church, and colleagues he enjoys. And at home, he has DSL. So it's not that he lacks access to broadband.

Instead, working at a coffee shop has become a new social outlet for mobile workers like Garcia. A study of people who frequent Wi-Fi cafes by University of Minnesota researcher Brad Hokanson found the most typical reasons given by patrons were "a change of scenery," "to get out of the house" or to make community connections. Subjects expected Wi-Fi to be free, though the economic benefits to businesses were "minimal," according to the study.

While spending a couple of hours at Monsieur Beans, Garcia estimates he spent about \$6 on a coffee and pastry.

So was his business worth it?

Absolutely, says owner Andrew Zielinski.

"Offering free Wi-Fi earned us a loyal following," he said. "It's another

way to get people to spend time here. It's the same logic as offering live music or discounts."

Zielinski's shop provides Wi-Fi through a local company called AeONSafe. I chatted with one of the AeONSafe co-founders, Dash Chang, who explained how it works. AeONSafe sells a secure Wi-Fi router for \$250, and helps the owner set up a broadband service with a network provider, usually AT&T, that costs about \$25 a month. In exchange, AeONSafe makes money by selling ads on a splash page that appears when customers first open their browsers and connect to the shop's Wi-Fi.

Chang said offering free Wi-Fi attracts customers throughout the day, important for cafes that often might have only a couple of peak hours around meal times.

"We've shown our customers that it's the highest return on investment of any piece of capital equipment they've purchased," Chang said.

But head over to Dana Street Roasting Company in Mountain View, and the story is more mixed. Manager Aaron Bratton said free Wi-Fi has been available for more than eight years. And talk about great deals -- Dana Street pays nothing for the service because it was installed by a local software developer who personally pays the bill.

Still, over time Bratton found there were too many folks hanging out for too long spending too little. So now he turns the power outlets off during most of the day.

"That's when we get the people who just want to take advantage of the free Wi-Fi," Bratton said. "In the evening, it's a different story. We get more students who tend to buy more."

That can cause friction with some customers. "We've become known as the place that doesn't provide power," Bratton said. He recalled one indignant customer who wrote down on a piece of paper the amount of power they would have used on their way out. Bratton just laughed and put it in the tip jar. Still, he doesn't regret the decision because he wants to balance the community feeling of the shop with its role as a work space.

To the north, Eileen Hassi, owner of Ritual Coffee Roasters in San Francisco's Mission District, has also pulled the plug on customers. Five years ago, when she opened, it was clear she had to offer free Wi-Fi. But a couple years later, when Ritual became known as a hot spot for Web 2.0 workers, Hassi said her shop became overwhelmed and she decided to cut off the outlets. Her power bill dropped by \$500 a month.

Overall, she thinks it's worth it to provide Wi-Fi, which costs her \$140 a month. But the power issue still rankles some. Recently, a woman came in and ordered a \$3 latte. But when she discovered there were no outlets, she insisted Hassi refund her money. When Hassi refused, the woman sold the latte to another customer coming in and then stormed out.

"I think that's hysterical," Hassi said. "Now people expect not only wireless, but electricity for a \$3 latte."

---

*(c) 2009, San Jose Mercury News (San Jose, Calif.).*

*Visit Mercury Center, the World Wide Web site of the Mercury News, at [www.bayarea.com/mld/mercurynews](http://www.bayarea.com/mld/mercurynews)*

*Distributed by McClatchy-Tribune Information Services.*

2024 from <https://phys.org/news/2009-09-free-wi-fi-good-coffee.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.