



What do next wave 5G consumers want? The Italian consumer point of view

Telco per l'Italia 2022
December 14, 2022

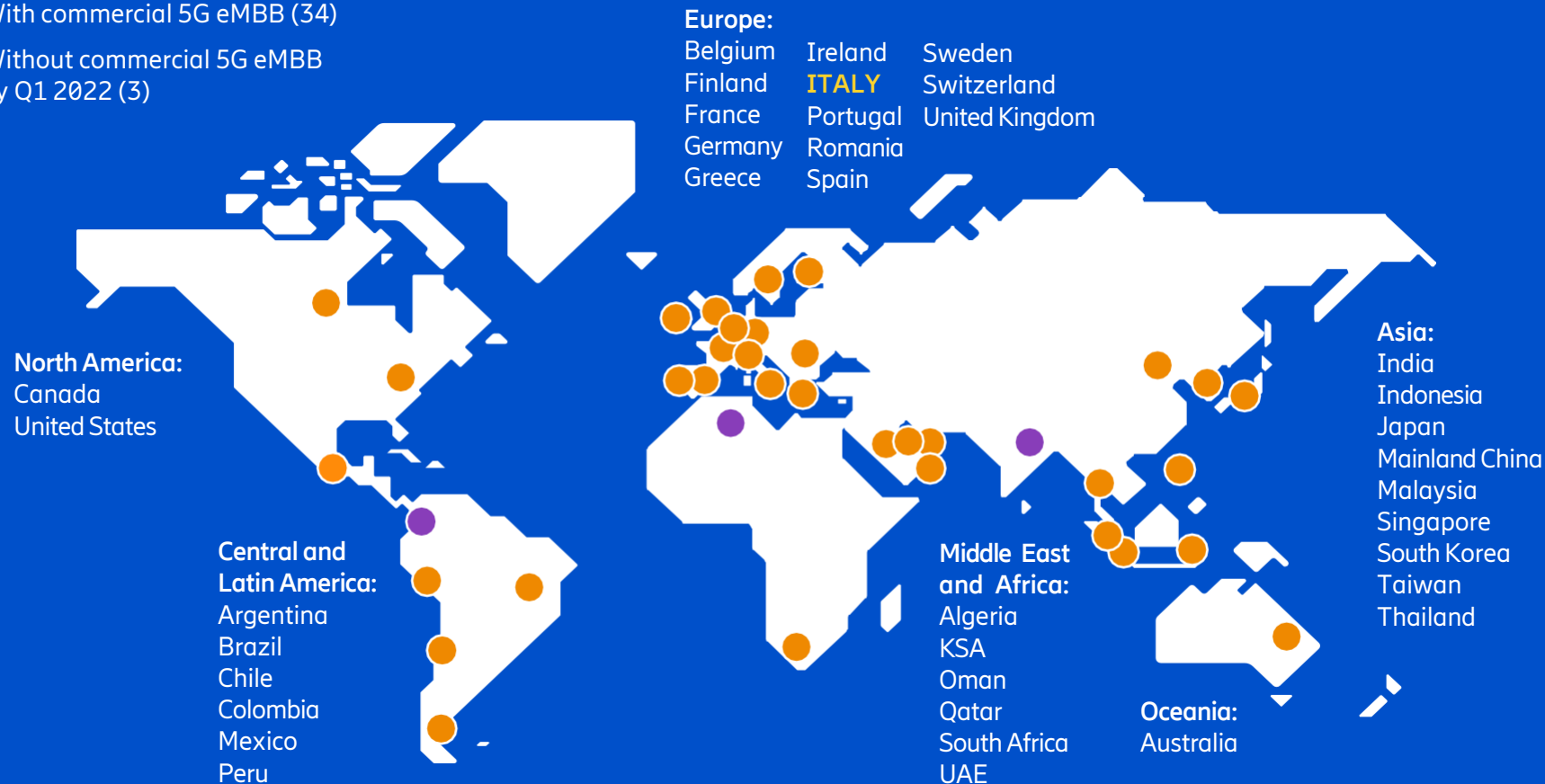
Riccardo Mascolo
Head of Strategy and 5G industry
Italy, Southeast Europe and Eurasia
Ericsson

5G: The next wave

Biggest 5G study to date representing 1.7 billion consumers globally and 35 million consumers in Italy

37 markets

- With commercial 5G eMBB (34)
- Without commercial 5G eMBB by Q1 2022 (3)



49,100

From April to July 2022, interviews were held with 49,100 consumers across 37 markets

1,100

A total of 1,100 active 5G users in Italy gave their views



3MN

This study reflects the views of 3 million Italian 5G users



6 key trends toward the next wave of 5G



1. Consumer 5G adoption to be inflation-resilient.

25% of users in Italy still intend to upgrade to 5G in the next 12 months.
8 out of 10 existing 5G users despite rising costs are **not willing to go back** to 4G.

2. 5G adoption is going beyond early adopters, who were driven by innovative cases.



3. Perceived 5G availability is emerging as the new satisfaction benchmark.



4. 5G drives demand for Augmented Reality and enhanced video.



5. 5G monetization models are expected to evolve.



6. 5G adoption is setting the path to the metaverse.



Source: Ericsson ConsumerLab, 5G: The next wave, 2022

Base: Smartphone users aged 15–69 in Italy
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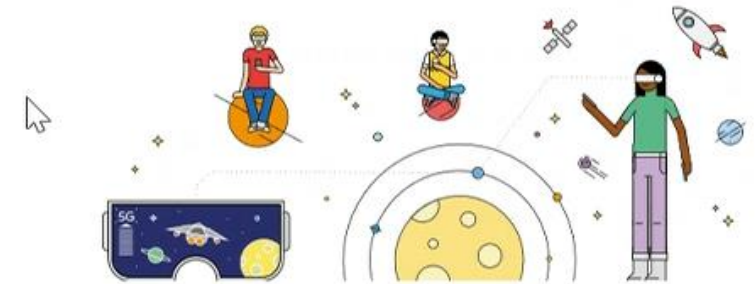
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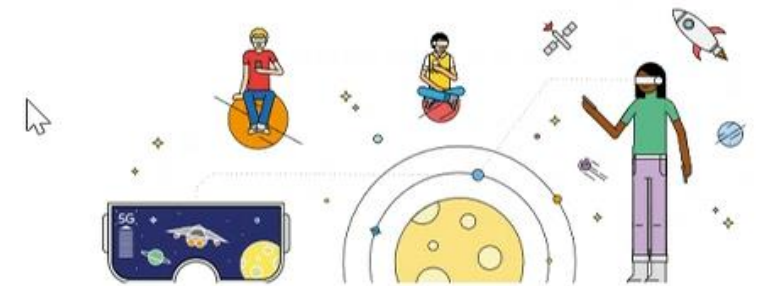
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In Italy, 37% of 4G users say they will start or increase using AR applications in real-world once sign up for 5G.

Willingness to upgrade to 5G

25%

The intended timescales could be impacted by fears of inflation and high prices, 25 percent of users in Italy still intend to upgrade to 5G in the next 12 months.

83%

Around 8 in 10 existing 5G users in Italy say that despite rising costs they are not willing to go back to 4G.



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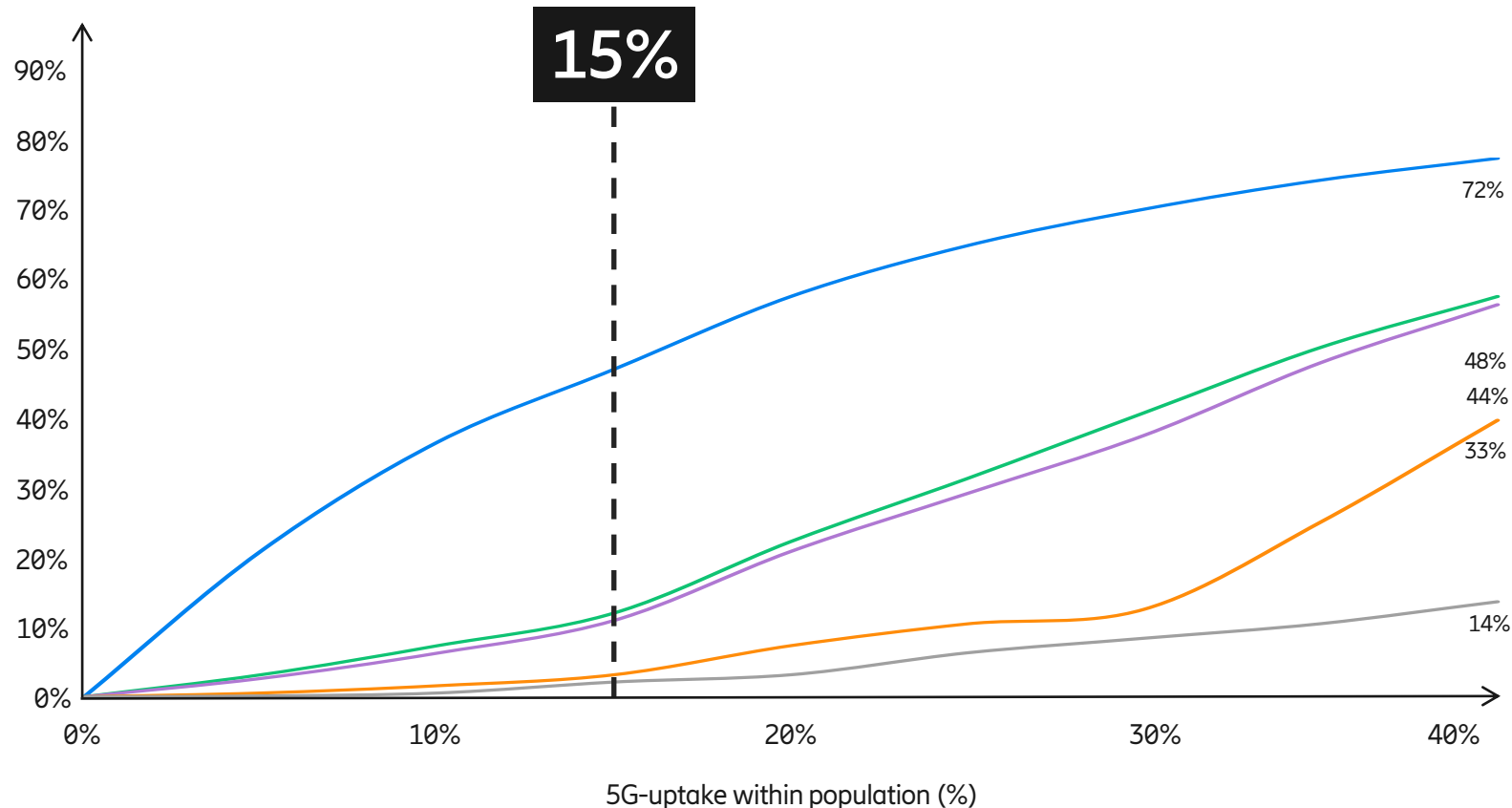
5G adoption goes beyond early adopters when 5G-penetration reaches 15%



TREND 2

Keeping both 5G early adopter and next wave user happy and to motivate 5G adoption by providing more coverage and innovative services.

Diffusion of 5G uptake within different user groups vs. 5G market penetration (global)



15%

When 5G penetration reaches approximately 15 percent, the next wave of users emerges. These are mainstream tech adopters who are less forgiving, value conscious and demanding.

Percentage share of user groups in global population

- Tech enthusiast (20%)
- Tech-intrigued (21%)
- Tech pragmatist (20%)
- Late tech adopter (21%)
- Tech-averse (18%)



Base: Smartphone users aged 15–69 in 37 markets
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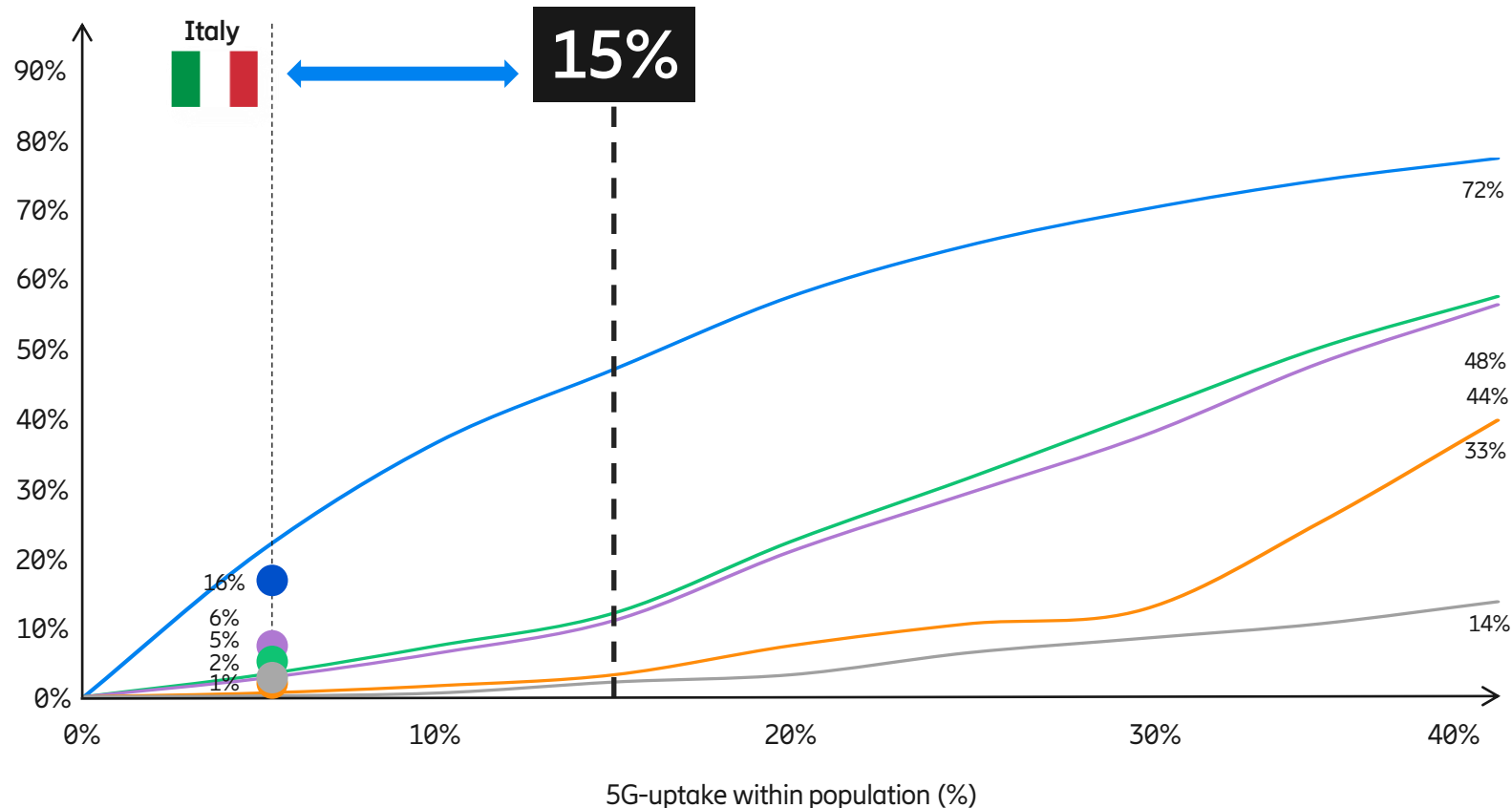
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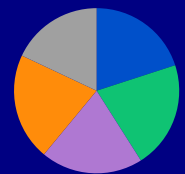


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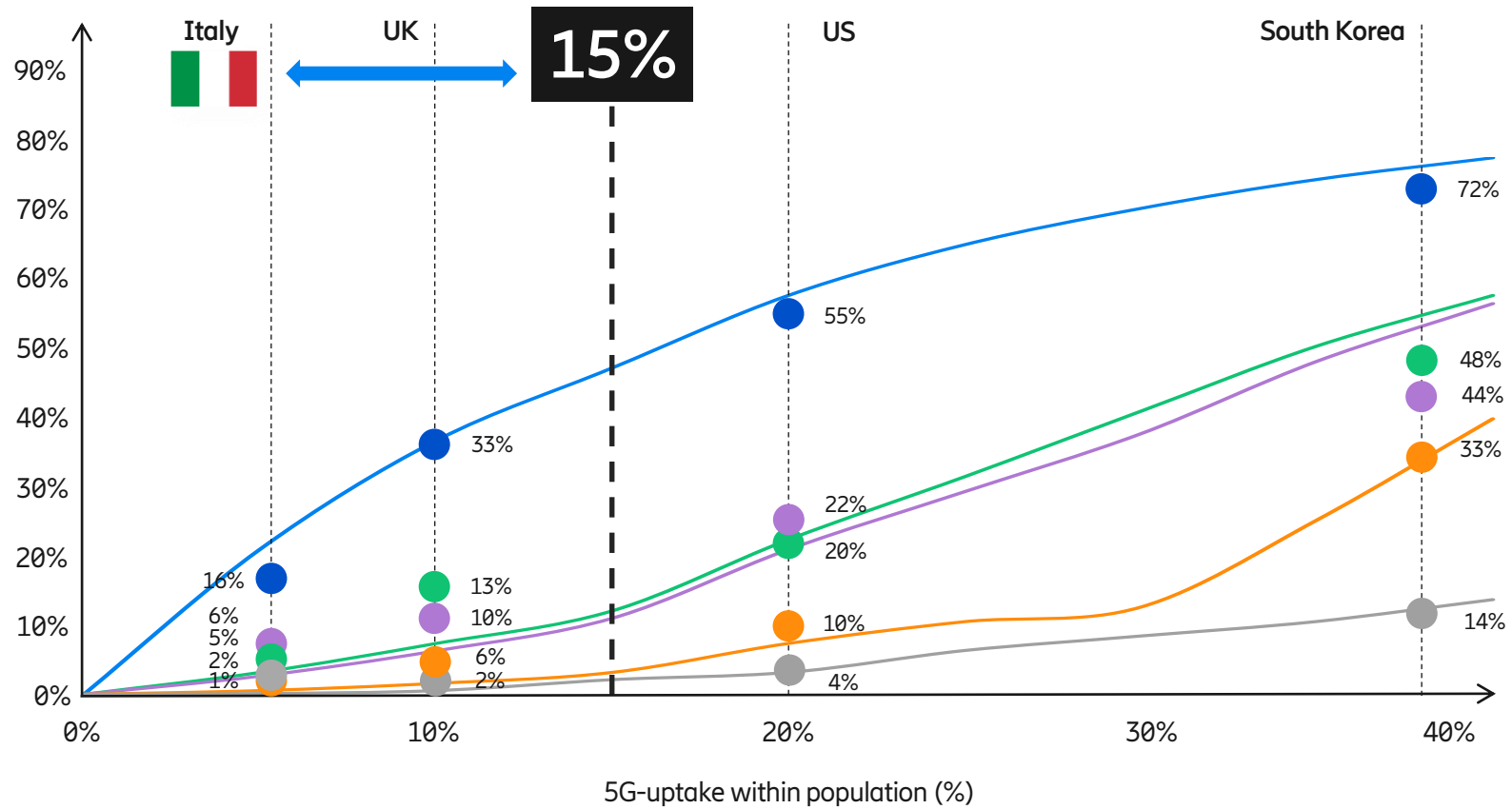
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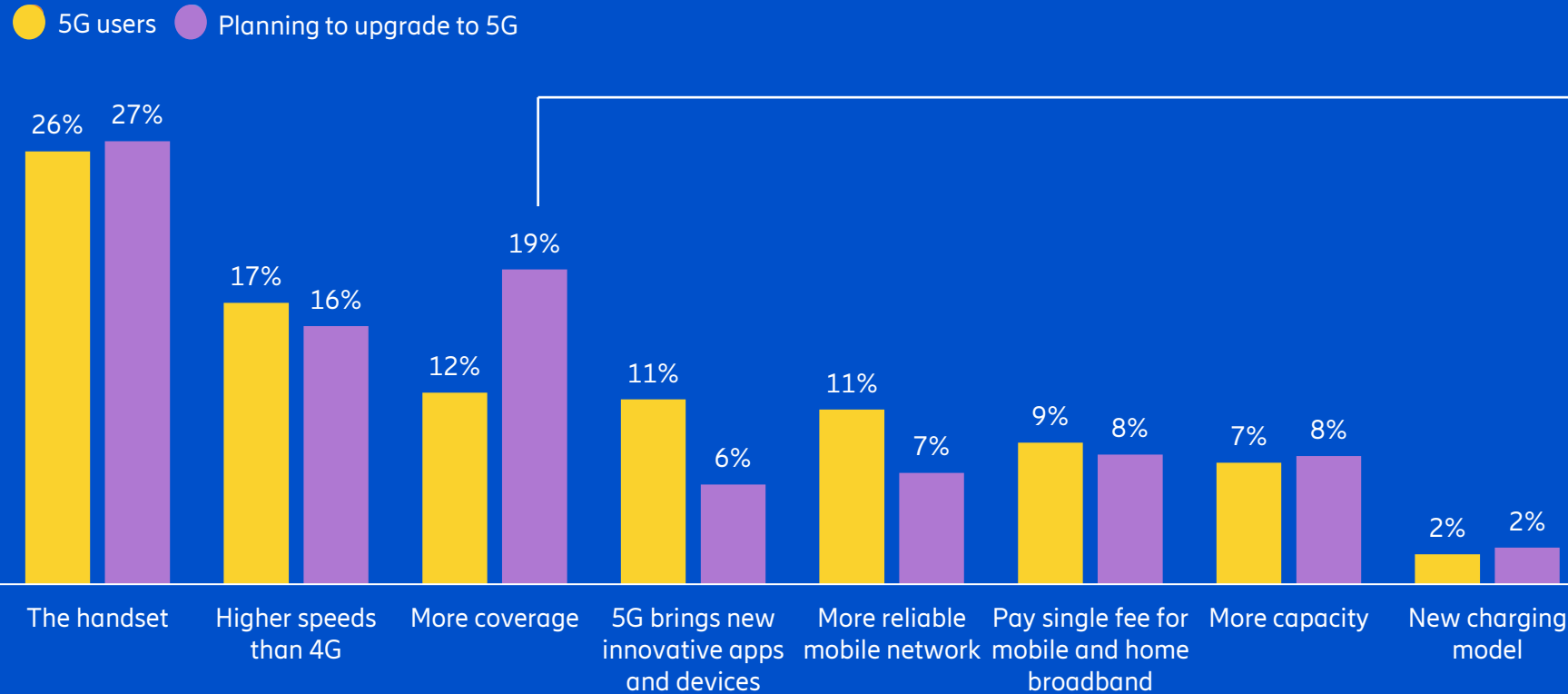
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The most important consideration for signing up for 5G



1.5X

as many 5G potential users compared to current users see network coverage as the most important reason for signing up for 5G

The next wave of 5G users are more value conscious, less forgiving and expect significant improvements on 5G performance, especially network coverage both indoors and outdoors at important use place

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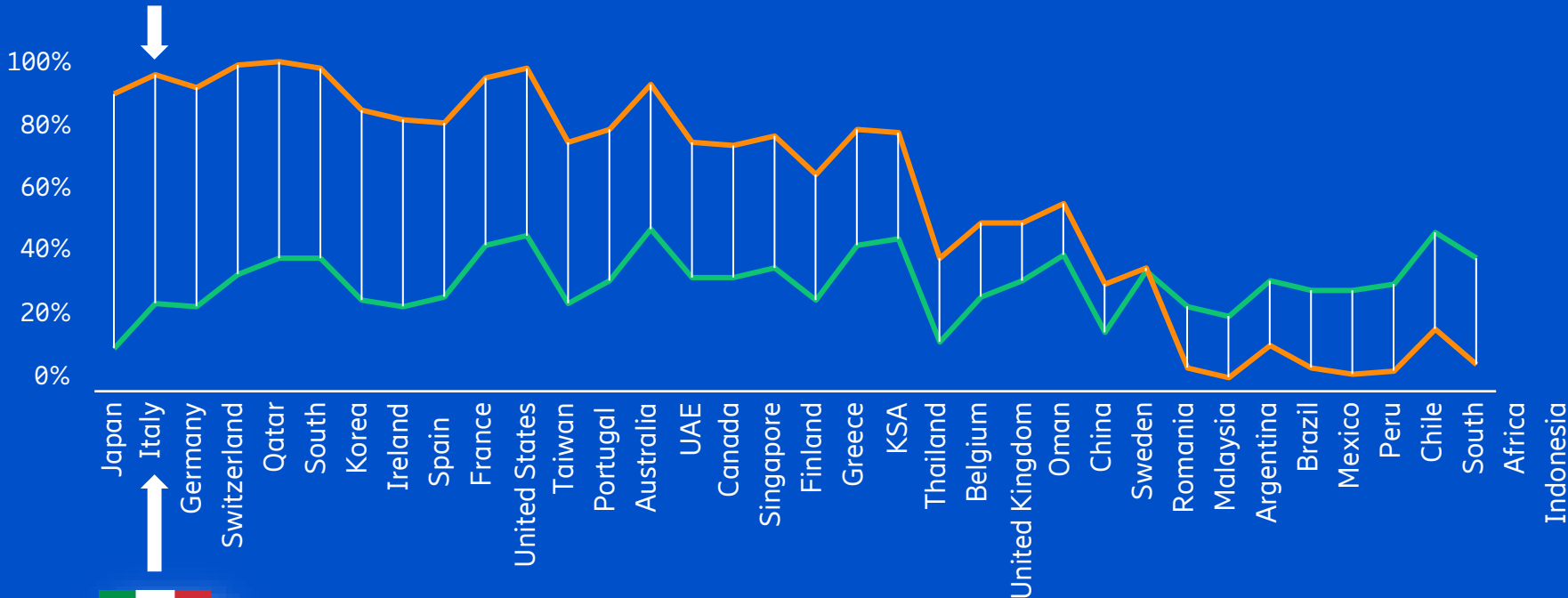


TREND 3


Perceived 5G availability is emerging as the new satisfaction benchmark

5G population coverage vs. 5G perceived availability


- 5G population coverage (based on GSMA Q1 2022)
- Percentage of 5G users who perceive being connected to 5G more than 50 percent of the time



96% vs. 25%
 While Italy has 5G population coverage of 96%, only 25% of 5G users typically perceive being connected to 5G more than 50% of the time.



75%
 Of those with high 5G perceived availability say they are satisfied with 5G.



Base: Smartphone users aged 15–69 in 5G markets
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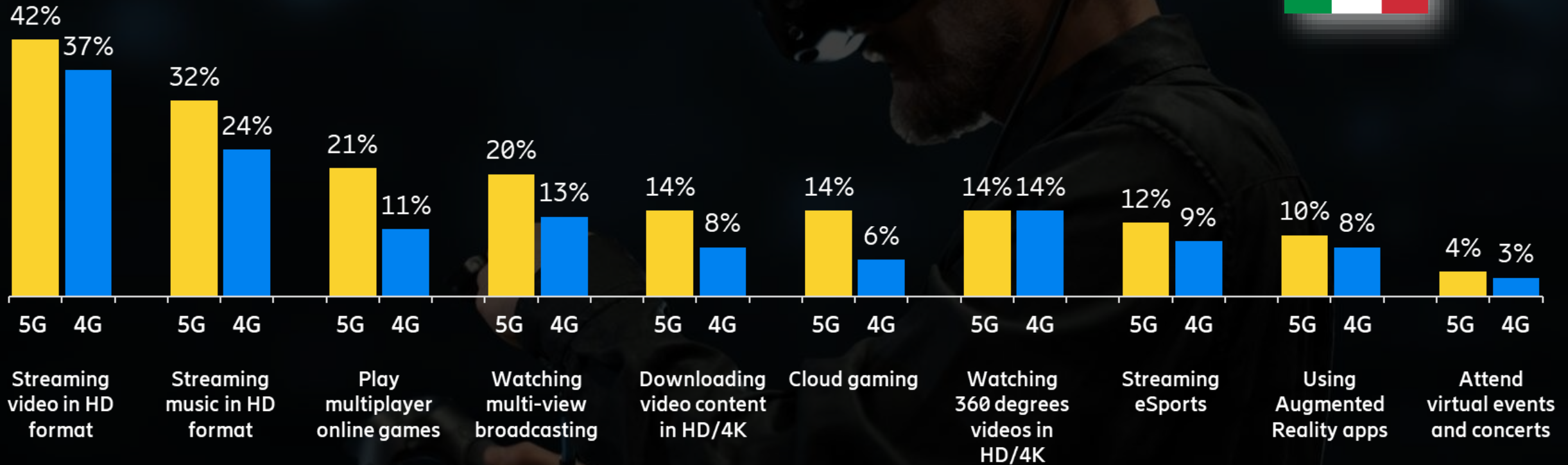
5G users are more engaged with immersive digital services than 4G users



TREND 4
5G pushes up usage of enhanced video, cloud gaming and new digital services



Share of daily users for each services

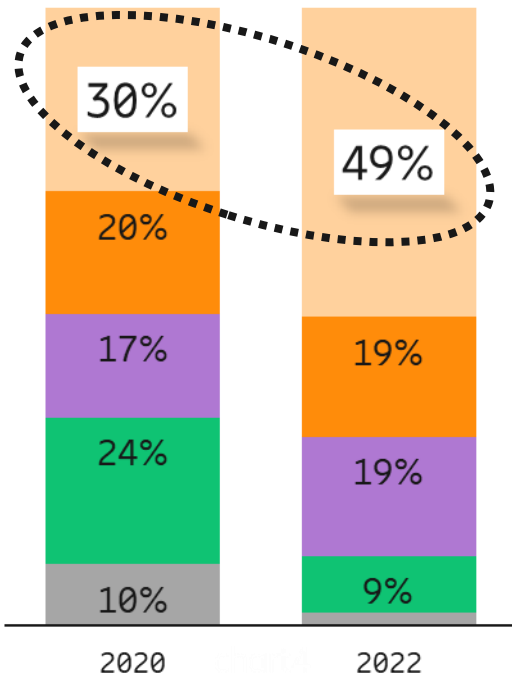


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5G users have increased service usage over the past 2 years

Percentage of 5G users and number of digital services being used (10 services evaluated in total)

- USING no services
- USING 1 service
- USING 2 services
- USING 3 services
- USING more than 3 services



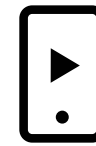
Streaming video in HD



Streaming music in HD



Play multiplayer online games



Watching multi-view streamed video



Downloading video content in HD/4K



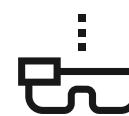
Cloud gaming



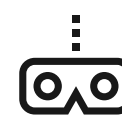
Watching 360 degrees videos



Streaming eSports



Using AR apps



Attend virtual events and concerts

Base: Smartphone users aged 15–69 & 5G users in Italy
Source: Ericsson ConsumerLab, 5G: The next wave, 2022



TREND 4

5G pushes up usage of enhanced video, cloud gaming and new digital services

1.5X

5G users in 2022 compared to 2020 engaging with more than three digital services every week.

With 5G pushing up usage of cloud gaming and AR, the demand for faster uplink throughput will be key to the overall immersive user experience.

Implications to mobile service providers



1

Consumers see resilient connectivity enabled by 5G as an important investment with **83% of existing 5G users saying that despite rising costs they are not willing to go back to 4G.**

2

The next wave of 5G users are more value conscious, less forgiving and expect significant improvements on 5G performance, especially network coverage both indoors and outdoors at important use place

3

Increase 5G availability and inform consumers of real-world availability and performance of 5G will benefit from triple levels of customer satisfaction.

4

With 5G pushing up usage of cloud gaming and AR, the **demand for faster uplink throughput will be key to the overall immersive user experience.**

5

Mobile service provider needs to reflect consumer demands from 5G offering, **to move from best effort to improved quality of experience and enhanced content experiences.**

6

Next-gen connectivity will be important to the metaverse, there are other aspects of the metaverse ecosystem that can be explored or participated in by mobile service providers.



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