

# 5G: The next wave

Six key consumer trends  
driving 5G adoption in Brazil

# Biggest 5G study to date representing 1.7 billion consumers globally & 82 million consumers in Brazil



## 37 markets

- 34 with commercial 5G eMBB
- 3 with no commercial 5G eMBB by Q1 2022

Europe:  
Belgium  
Finland  
France  
Germany  
Greece  
Ireland  
Italy  
Portugal  
Romania  
Spain  
Sweden  
Switzerland  
United Kingdom



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

1,400

From April to July 2022, interviews were held with 1,400 consumers in Brazil.

2MN

This study reflects the views of 2 million Brazilian 5G users.

# 6 key trends towards the next wave of 5G in Brazil



1

Consumer 5G adoption to be inflation-resilient. 69 percent of users in Brazil intend to upgrade to 5G in the next 12 months.

2

Motivate 5G adoption by fast rollout and providing more choice of 5G phones to early adopters. Brazil 5G adoption is driving by early adopter today.

3

Perceived 5G availability is emerging as the new satisfaction benchmark. Brazil is in early stage of 5G rollout, 32 percent of 5G early adopters in major 5G rollout cities perceive being connected to 5G more than 50 percent of the time.

4

5G pushes up usage of enhanced video, cloud gaming and AR. 5G early adopters in Brazil engage more digital services than 4G with more than half using more than 3 digital services today.

5

5G monetization models are expected to evolve. 6 in 10 of mobile users in Brazil want tailored capabilities for specific needs for 5G plans.

6

5G adoption is setting the path to the metaverse in the future. In Brazil, 54% of 4G users say they will start or increase using AR applications in real-world once sign up for 5G.



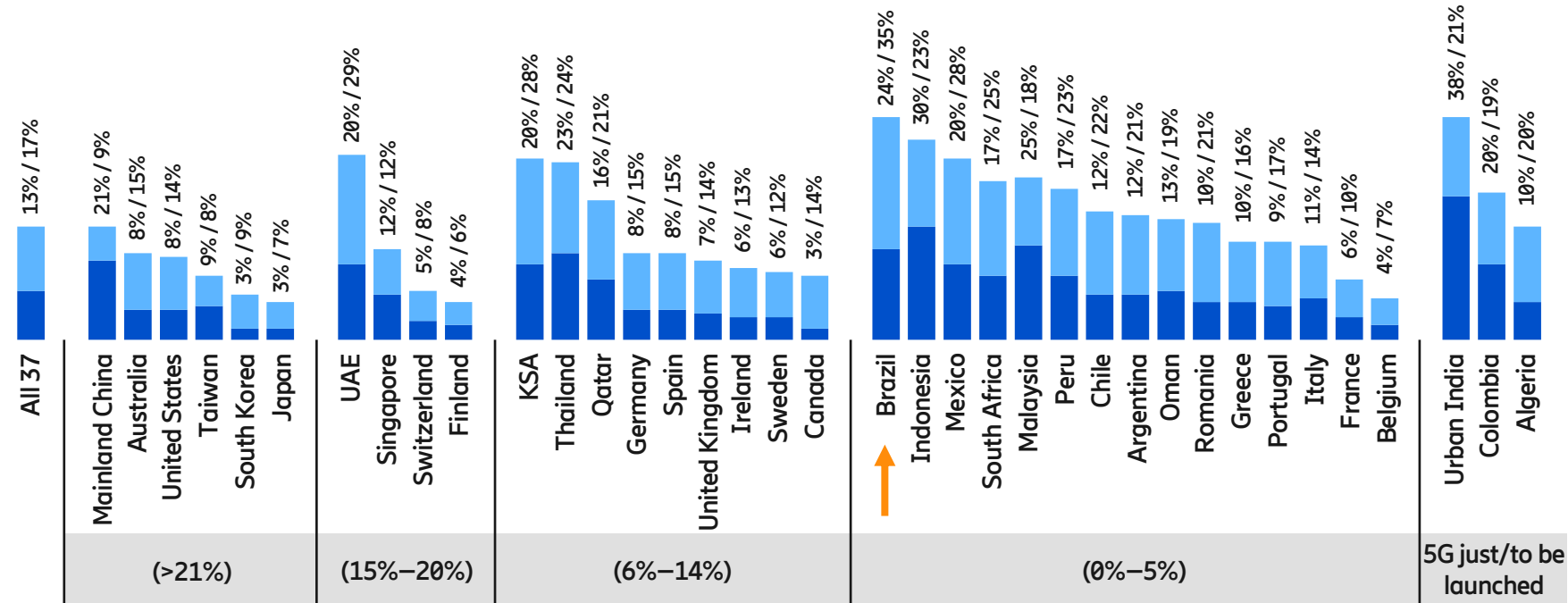
**Trend 1:**  
**Consumer 5G adoption**  
**will be inflation-resilient**

# Strong installed base in Brazil already and 5G upgrade intention remains strong



Self-reported intention to upgrade to 5G subscription in the next 12 months, April 2022 (% of smartphone users)

● Already own a 5G-capable smartphone ● Do not own a 5G-capable smartphone



5G penetration level 1Q22 based on GSMA data

Base: Smartphone users aged 15–69.

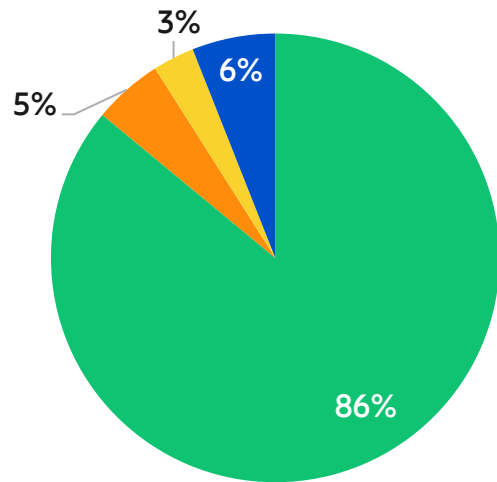
Source: Ericsson ConsumerLab, 5G: The next wave, 2022

## 50MN

Although inflation is rising, 69 percent of users in Brazil will upgrade to 5G in 2023. 24 percent already have a 5G ready device and based on the readiness with the phone and attitudes towards 5G, we expect about 50 million to sign up for 5G subscription in 2023. But will the networks reach them?

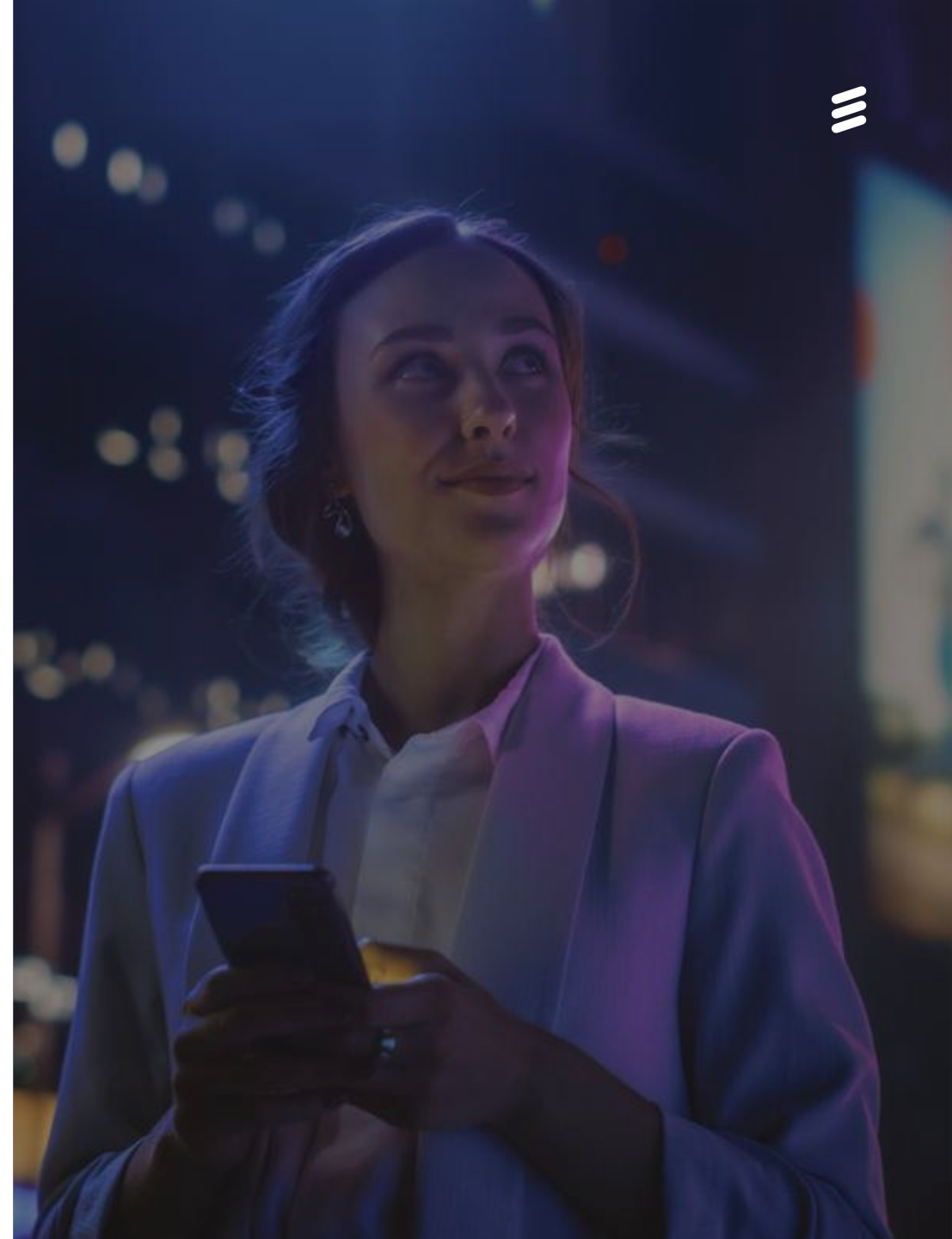
# Mobile broadband spending to remain resilient

Views on changes to mobile broadband spending in the coming 12 months



- I would consider reducing spending on mobile data subscription if my daily expenses increase (by 20 percent)
- I plan to instead reduce spending on paid add-on subscriptions in the household e.g. Pay TV, music, sport streaming, etc.
- I would NOT consider reducing spending on mobile data subscription regardless of any other increased expenditure
- I would NOT consider as my employer pays for it

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



# 5G mobile broadband spending to remain resilient



## Expectations on mobile data plan changes in the coming 12 months

- Upgrade to a higher speed/data volume tier plan
- Stay with the current plan
- Cancel my current plan/contract
- Downgrade to a lower cost plan
- Don't know/unable to say



### 5G early adopters

- 41%
- 55%
- 4%
- 0%
- 0%



### 4G user

- 21%
- 63%
- 10%
- 3%
- 4%

41%

4 in 10 of 5G early adopters expect to upgrade to a higher speed/data tier plan in the next 12 months.

## Trend 2:

Motivate 5G adoption by fast rollout and providing more choice of 5G phones to early adopters.

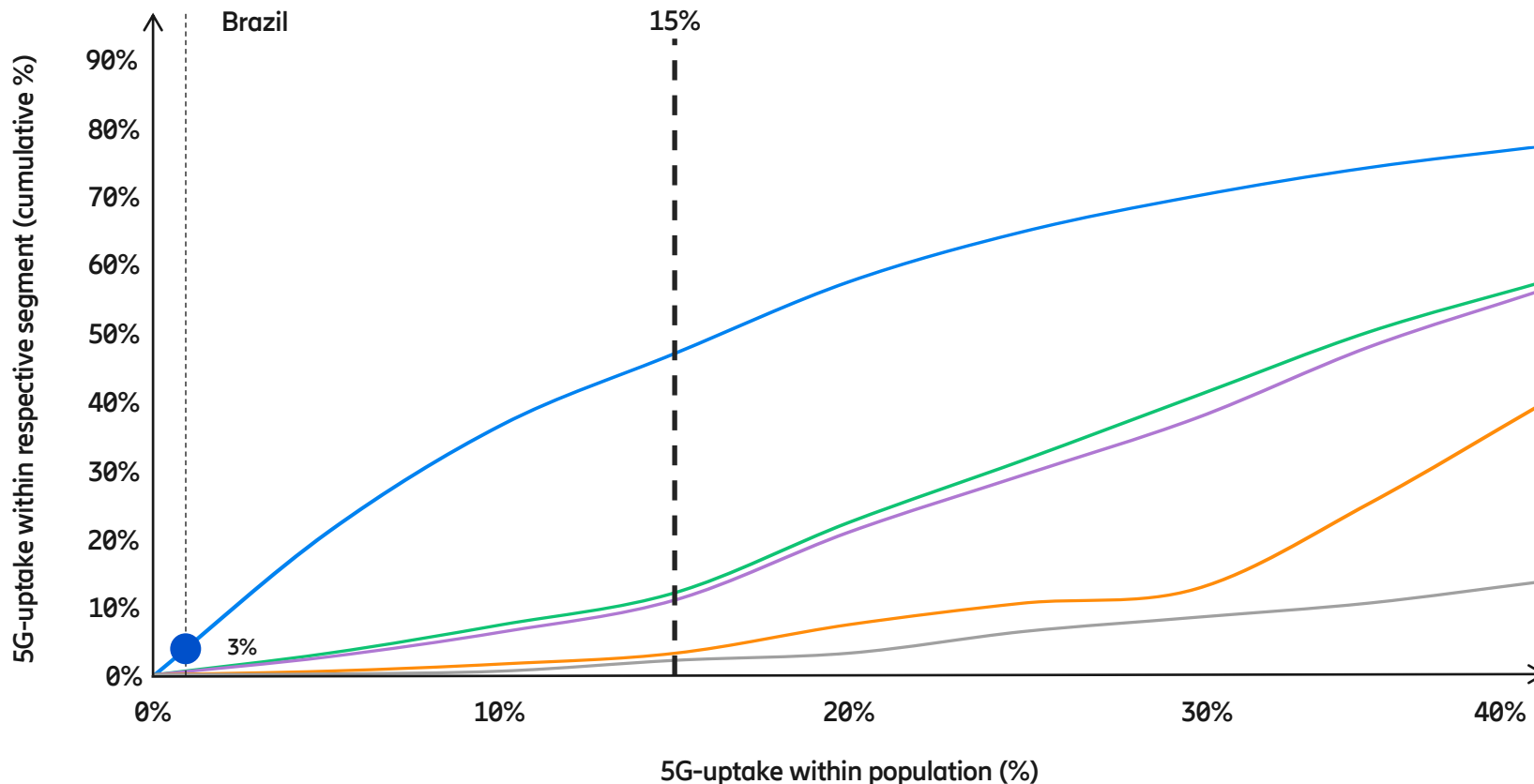




# Brazil 5G adoption today is driven by tech early adopters-3% are on 5G



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%)

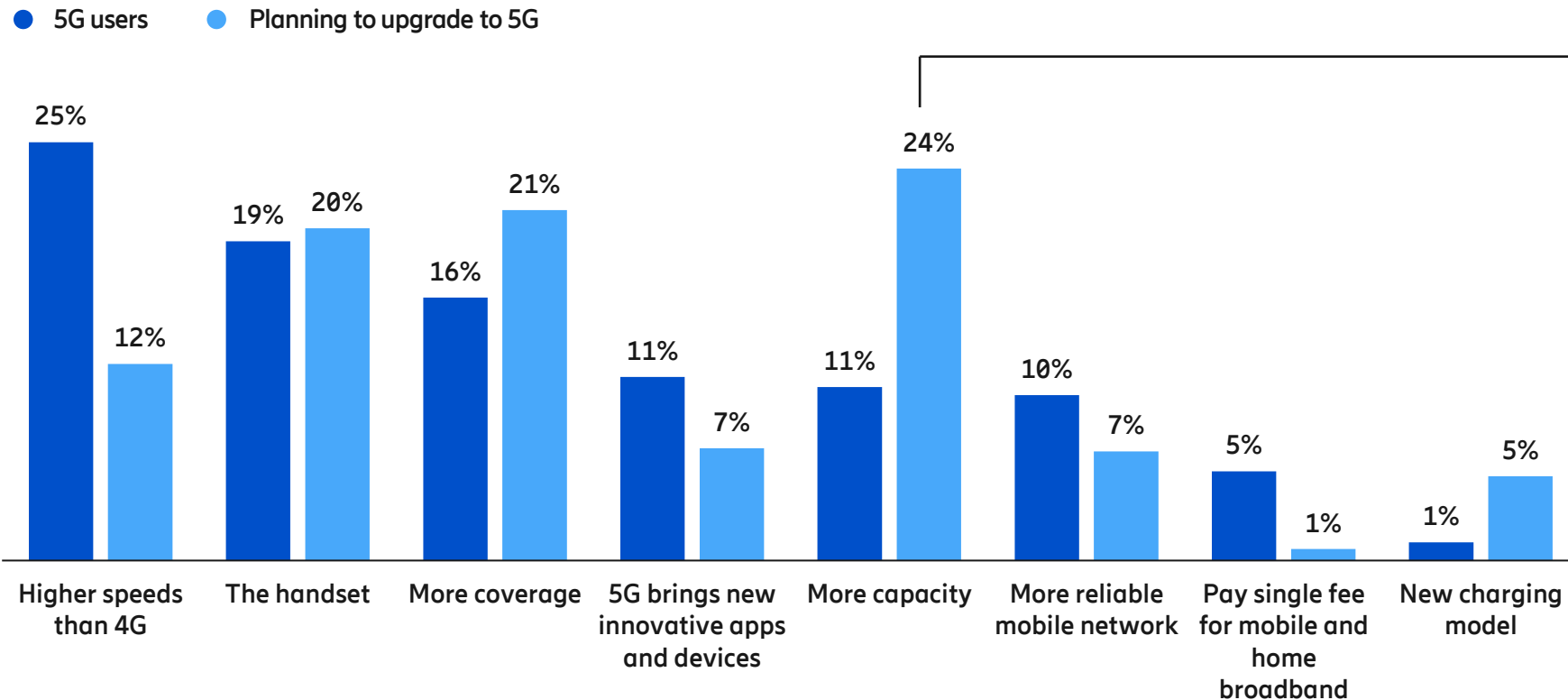


Base: Smartphone users aged 15–69 in 37 markets  
Source: Ericsson ConsumerLab, 5G: The next wave, 2022

# Driving the 5G adoption by providing more capacity and more coverage



The most important reasons/motivations for signing up for 5G



**2X**  
Twice as many 5G potential users compared to current users see more capacity as the most important reason for signing up for 5G.

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

Trend 3:

Perceived 5G availability  
is emerging as the new  
satisfaction benchmark



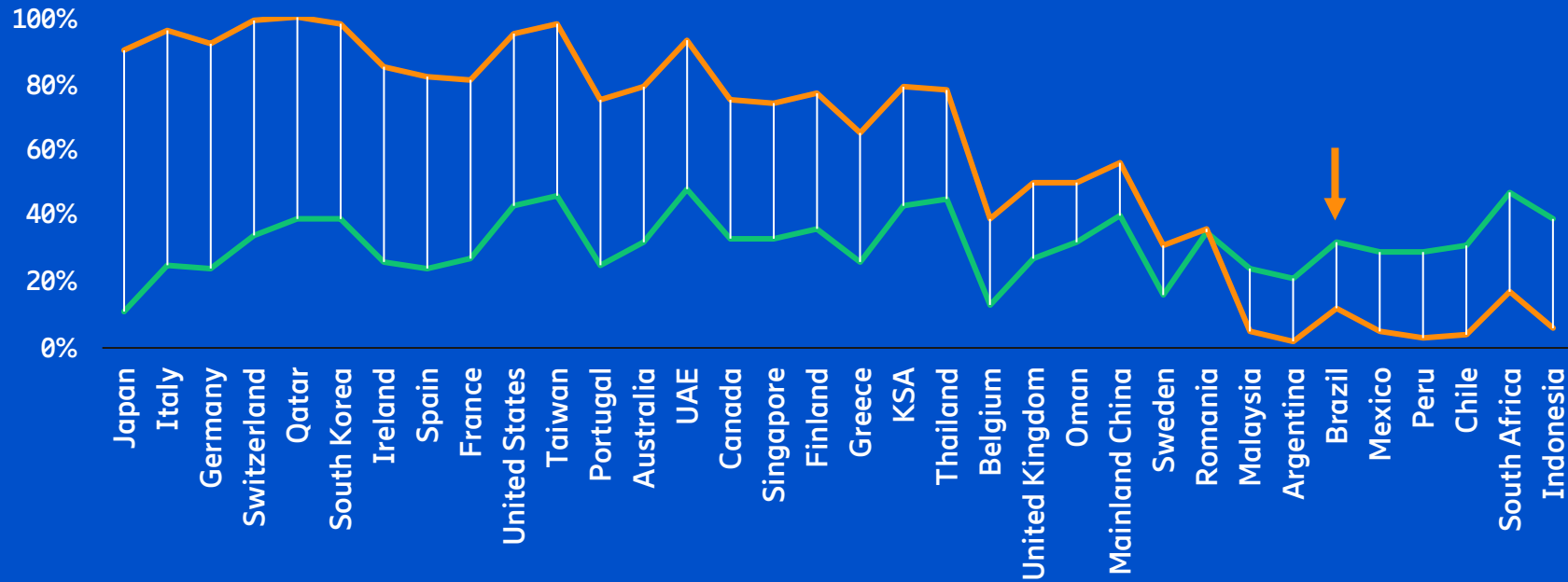
# The gap between 5G population coverage and consumer perceptions of 5G availability



## 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



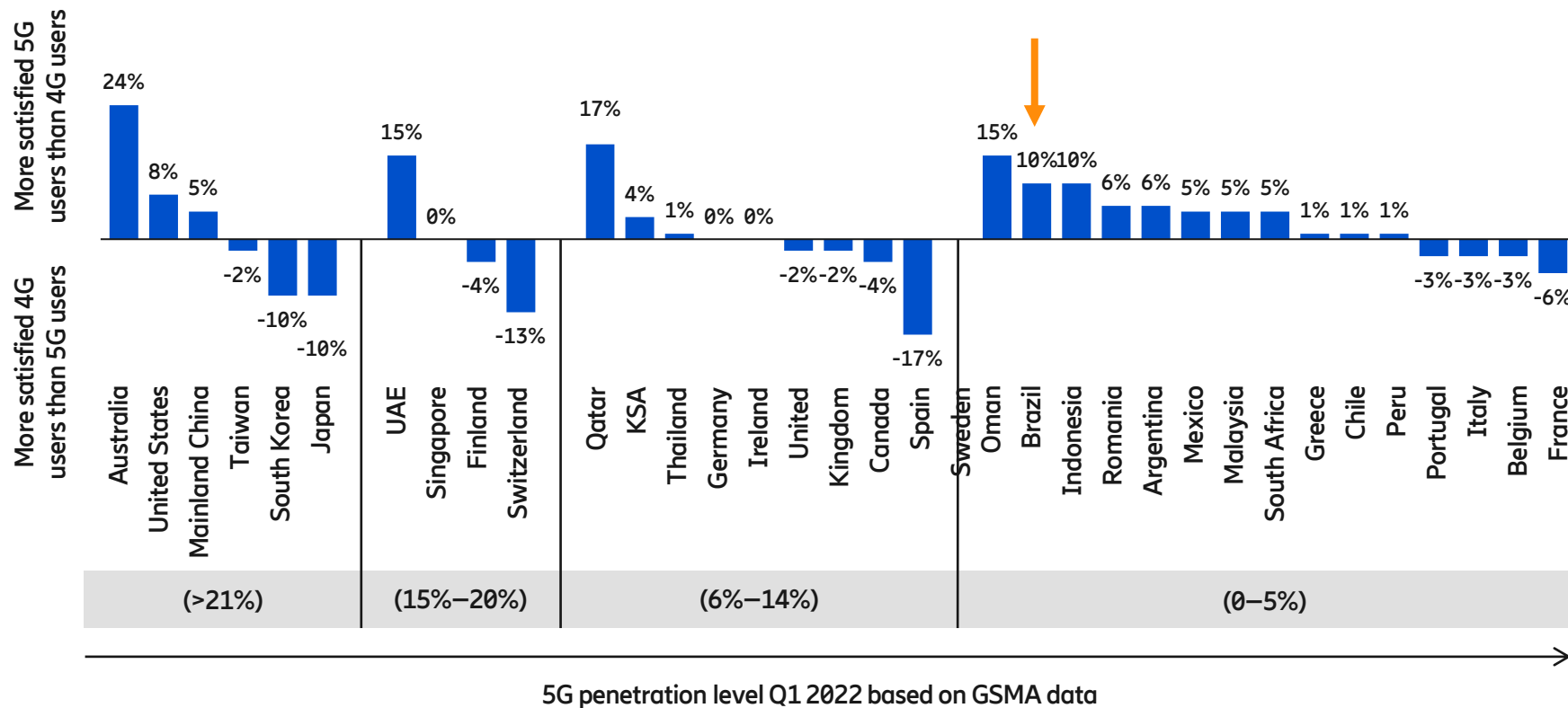
**32%**  
Brazil is in the early stage of 5G rollout and 32 percent of 5G early adopters in the major 5G rollout cities perceive being connected to 5G more than 50 percent of the time.

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

# More satisfied 5G early adopters than satisfied 4G users in Brazil



Overall network experience satisfaction, 5G users vs. 4G users



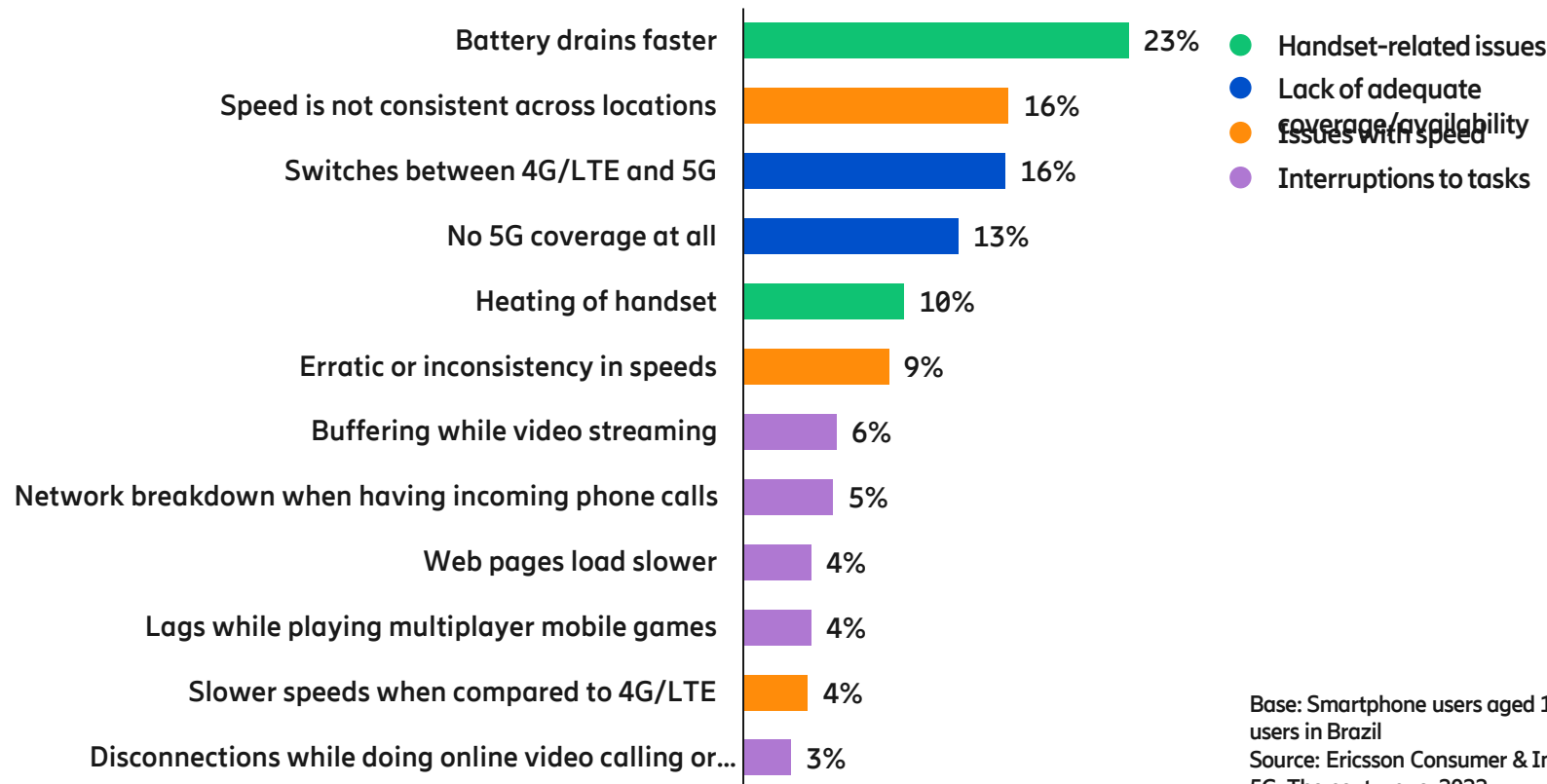
**21 out of 34**  
Smartphone users in 21 out of 34 markets appear satisfied with 5G network performance in comparison to 4G.

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

# But 5G early adopters experience network issues daily



Consumer experiences of network issues when smartphones are connected to 5G cellular networks (always/often)



## 1 in 2

Half of 5G early adopters in Brazil always or often encounter issues when connected to a 5G cellular network, with the most severe issues being lack of 5G coverage or low perceived availability.

Base: Smartphone users aged 15–69 & 5G users in Brazil  
Source: Ericsson Consumer & IndustryLab  
5G: The next wave, 2022



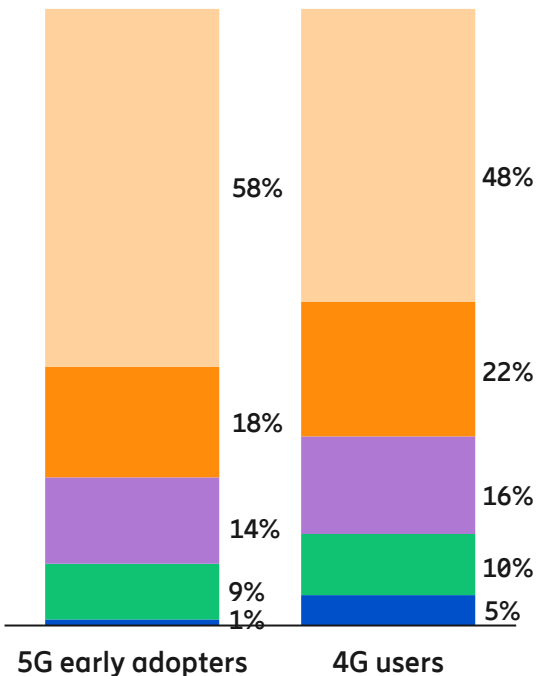
**Trend 4:**  
**5G pushes up usage of  
enhanced video, cloud  
gaming and AR**

# 5G early adopters are using more digital services than 4G users



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

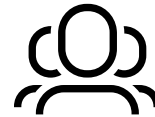
- USING no services
- USING 1 service
- USING 2 services
- USING 3 services
- USING more than 3 services



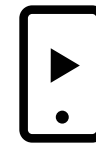
Streaming video in HD



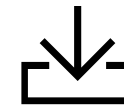
Streaming music in HD



Play multiplayer online games



Watching multi-view streamed video



Downloading video content in HD/4K



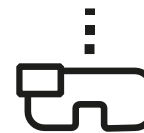
Cloud gaming



Watching 360 degrees videos



Streaming eSports



Using AR apps



Attend virtual events and concerts

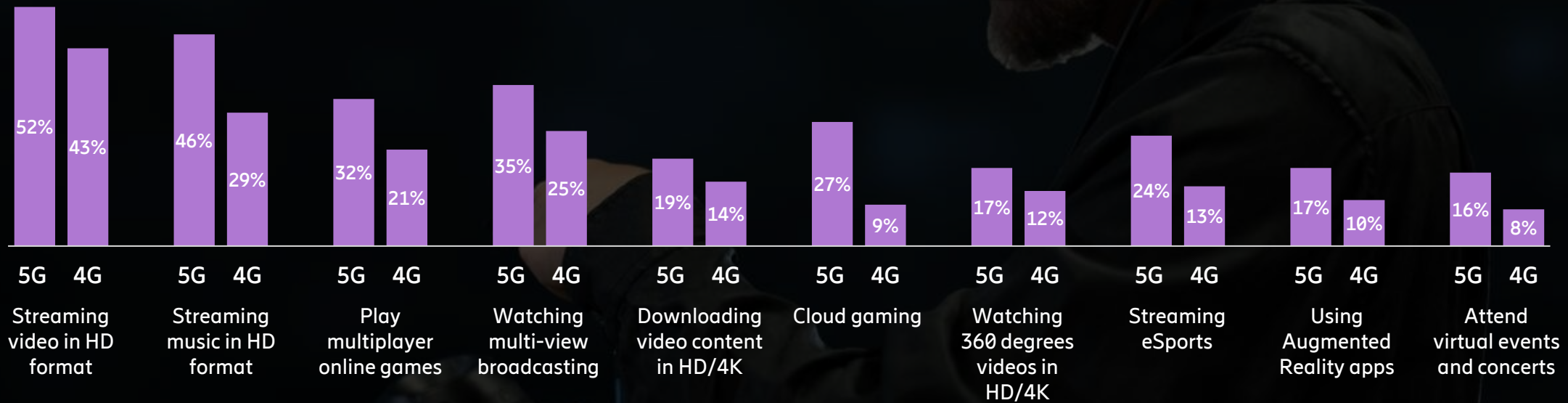
Base: Smartphone users aged 15–69 & 5G users in Brazil  
Source: Ericsson ConsumerLab, 5G: The next wave, 2022

**58%**  
5G early adopters in Brazil engage more digital services than 4G with more than half using more than 3 digital services toady.



# 5G early adopters are more engaged with immersive digital services than 4G users

Share of daily users for each services



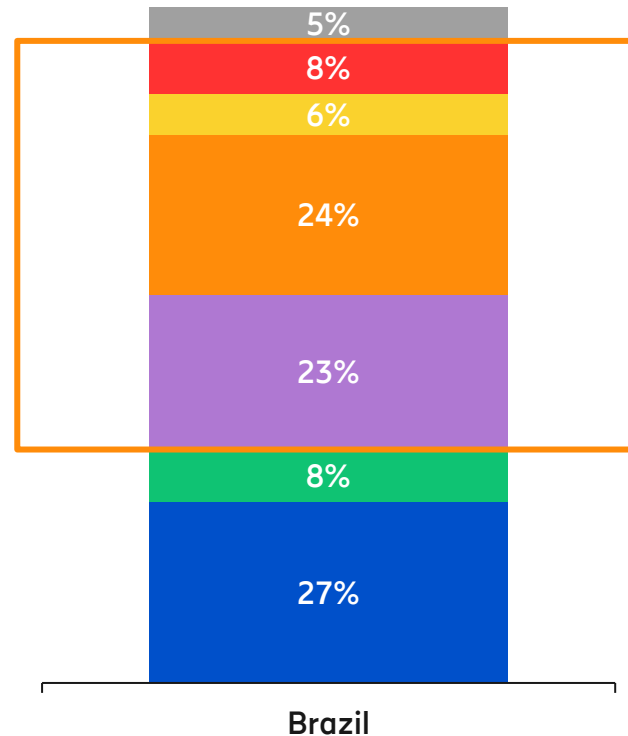
Base: Smartphone users aged 15–69 in Brazil  
Source: Ericsson ConsumerLab, 5G: The next wave, 2022

Trend 5:  
5G monetization models  
are expected to evolve



# 6 in 10 of mobile users want tailored capabilities for specific needs

How would you like 5G mobile data plan to be different from 4G plans?



- Don't know
- Prioritized connectivity: "Business class 5G" plans, which offer premium network experience at all times
- Dynamic performance boost: Provide dynamic on-demand enhanced connectivity for certain mobile applications on 5G plans
- Application embedded connectivity: Provide dynamic on-demand enhanced connectivity from within certain applications
- Speed-based: Offer speed-based options on 5G plans with different speeds for mobile users with different needs
- 5G app bundles: Bundle more innovative experiences and content on 5G plans
- More data (GBs) on 5G plan compared to a 4G plan

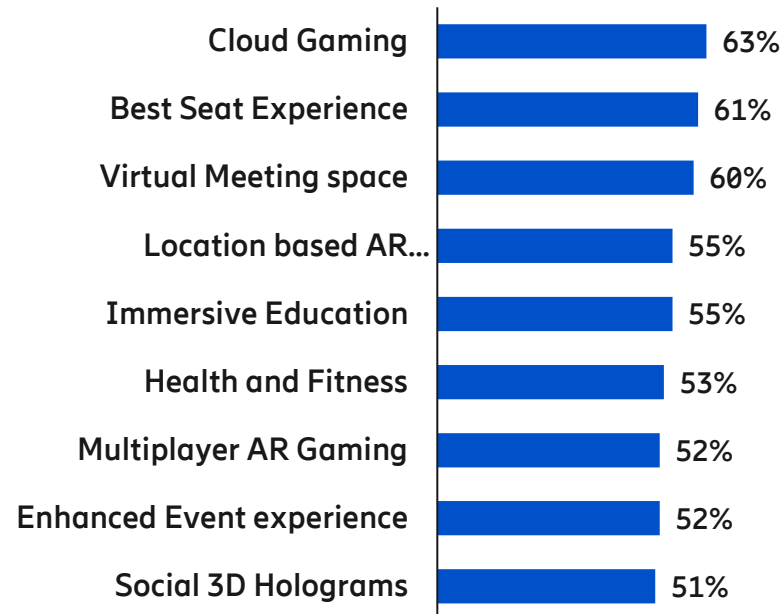


Base: Smartphone users aged 15–69  
Source: Ericsson ConsumerLab, 5G: The next wave, 2022

# 5G early adopters prioritize rich experiences in 5G data plans

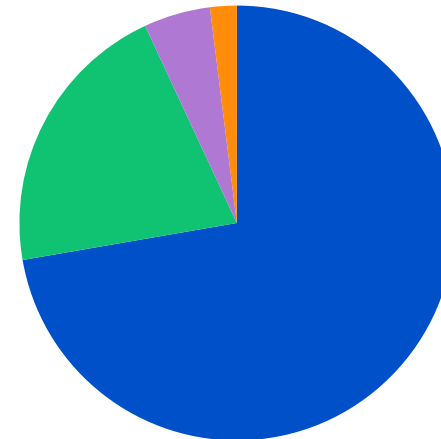


Interests in innovative experiences on 5G plans



Percentage who think it is important to have innovative 5G services on future 5G plans

- Very important (8-10)
- Mid important (5-7)
- Not important (0-4)
- Don't know



5G early adopters

- 73%
- 21%
- 5%
- 2%

84%

Of 5G early adopters consider innovative 5G experiences to be important inclusion on their mobile broadband plans.

Trend 6:  
5G adoption is setting  
the path to metaverse

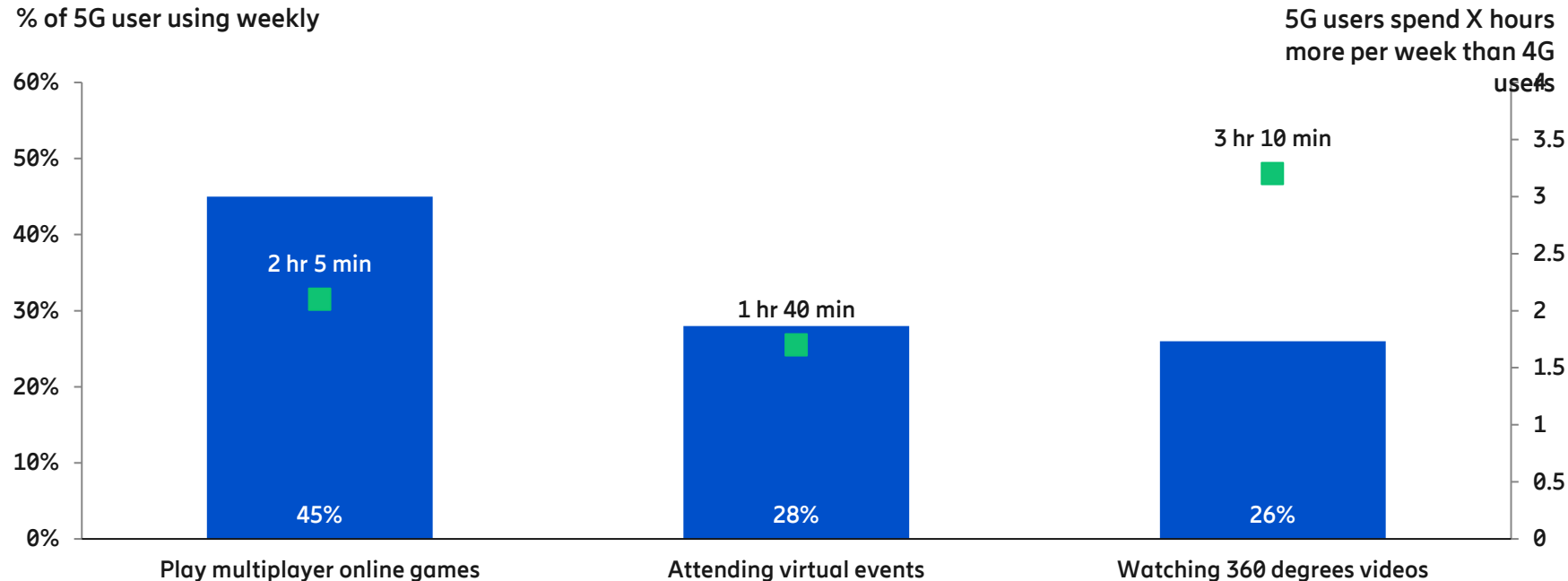


# Usage of metaverse apps/services is growing along with 5G uptake



Using metaverse related services/applications weekly & Increase in time spend per week on metaverse related services/applications by 5G users when compared to 4G users

% of 5G user using weekly



## 2 hours

5G early adopters on average spend 2 hours more per week in metaverse-related services than 4G users.

## 1.7x

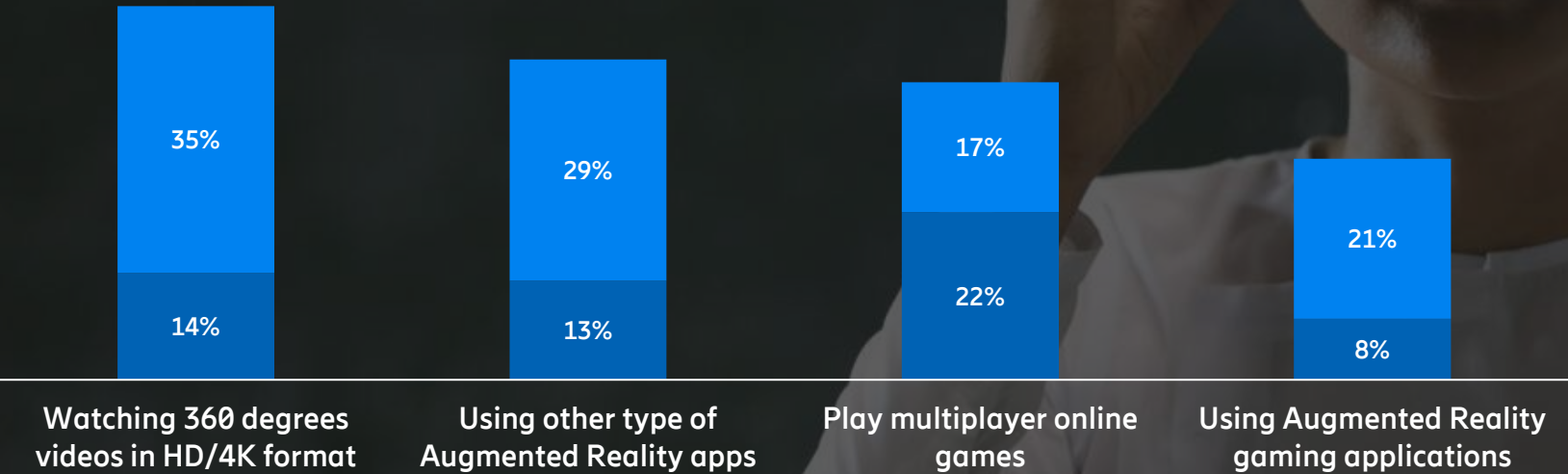
In Brazil, 1.7 times more 5G early adopters engage in metaverse activities on a weekly basis than 4G users.

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

# AR usage is set to increase going forward

Share of 4G users who will use the following immersive services after adopting 5G

■ Increase usage ■ Start using



**1 in 2**

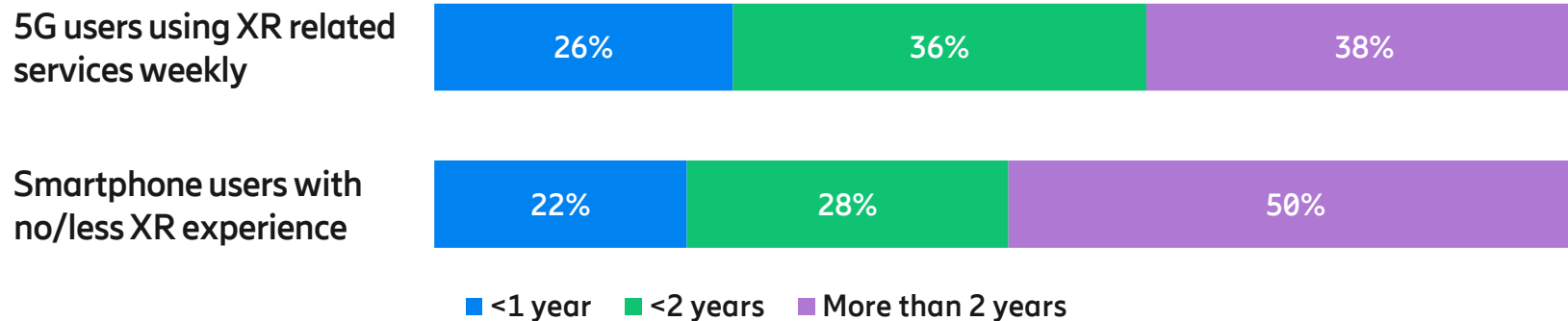
In Brazil, 54 percent of 4G users say they will start or increase using AR applications in real-world once sign up for 5G.

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

# 5G users with current experience on XR will be the first to take up future emerging devices



Percentage who think that the predominant use of augmented reality apps will move from being smartphone based to XR headset



**1.3x**  
1.3 times more 5G early adopter vs 4G user believe AR apps will move from smartphones to headsets within 2 years.

**89%**  
of existing iPhone users on 5G network are interested in purchasing a lightweight mixed reality headset.

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



# Implications to mobile service providers



1

Consumers see resilient connectivity enabled by 5G as an important investment with 4 in 10 of 5G early adopters expect to upgrade to a higher speed/data tier plan in the next 12 months.

2

CSPs need to work hard to articulating the proof of value of 5G better showcasing a differentiated experience on rich media and apps such as gaming, enhanced video and XR.

3

Increase 5G availability and inform consumers of real-world availability and performance of 5G will double the share of satisfied customers.

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.



<https://www.ericsson.com/en/reports-and-papers/consumerlab/reports/5g-next-wave>