

# Mobile broadband drivers and barriers study

## – questions and answers

### Why has Ericsson undertaken this mobile broadband study?

Mobile broadband is already proving a great success, with data usage climbing rapidly in many mobile operators' networks, particularly where High Speed Packet Data (HSPA) services have been launched. We wanted to understand what exactly is driving people's new-found enthusiasm for broadband access on the move, what are the barriers and how is broadband being used, so that we can help operators drive uptake even faster.

### Who took part in the study?

This quantitative study into mobile broadband usage drivers and barriers was carried out by Ericsson Consumer Lab among more than 3600 respondents aged 15–69 in Australia, Austria, Singapore and Sweden, between June and July 2008. Everyone who took part had a mobile phone at their personal disposal and had an Internet connection of some kind. Mobile broadband users were defined as mobile broadband laptop users.

### What were the key findings?

The study found a ready and willing market for mobile broadband. Most respondents agreed that the more they use broadband at home or at work, the more they want to use it everywhere – in other words, it's a very 'sticky' service. In some areas, mobile broadband is the only way to unlock high-speed Internet access for everyone. However, the study also uncovered some potential barriers to uptake that need to be addressed.

Some 15 per cent of those studied already use mobile broadband, either alone or in combination with fixed broadband. However an interesting finding from an operator perspective is that another 60 per cent of respondents consider themselves to be potential users of mobile broadband.



The real surprise was that only 50 percent of respondents knew what mobile broadband was – a current limitation but a sign of huge potential growth.

Consumer awareness comes primarily from advertising and recommendations, according to the study. And mobile-broadband advertising does not clearly reflect broadband's flexibility and wide appeal, highlighting the lack of widespread awareness in the market.



To target different audiences and avoid responses like “this does not fit my lifestyle”, mobile broadband cannot be regarded as just one product: segmented pricing and packaging are recommended, as well as different messages for different audiences.

We also found that fixed and mobile broadband complements each other, especially for the combined users as all services are used via the mobile broadband, but still fixed broadband preferred when consuming large amounts of data.

### **What's driving mobile broadband uptake?**

The key driver of mobile broadband usage is mobility. People want true mobility and to be able to use their broadband everywhere – especially ‘careerists’ and ‘digital natives’. In general, the more people use broadband, the more they want to use it everywhere. This is why everywhere coverage is so important, not only at hotspots.

Other drivers for the uptake of mobile broadband include simplicity, ease of use, and price. Mobility outside the home is especially important for adult early adopters, while mobile broadband-only users want to add mobility inside the home, as the main reasons for subscribing.

Among potential users of mobile broadband, true mobility is even more important, especially among early adopters and young people. Value for money and higher speed are also viewed more much more important among potential users than for current mobile broadband users.

Marketing and advertising from operators and recommendations are cited as the main sources of information for consumers to learn about mobile broadband.

From the study we can see that mobile broadband has mass market appeal. Already today around 15% are using mobile either alone or in combination with fixed broadband. Another 60 per cent of respon-

dents consider themselves to be potential users and the offer is already attracting traditional late adopter segments.

Other success factors include the availability of high data speeds and low latency (an area that Ericsson pays particular attention to).

### **How do people use mobile broadband?**

Our study found a ready and willing market for mobile broadband. Subscribers tend to use the same services on the move as they do at home. The most popular broadband services are email, chat, internet and communities.

Before they have mobile broadband, people have a different idea about how they will use it than those who already subscribe to mobile broadband services. For example, they expect to use it mainly when commuting, when out and about or when on vacation, rather than at home.

The research found that while mobility is the main driver for acquiring mobile broadband, still at home is the main place where people use it.

People who have both fixed and mobile broadband (combined users) tend to use more services outside the home than people who only have mobile broadband – while at friends, commuting, or simply out and about, for example.

Those with mobile-only broadband subscriptions are naturally more likely to use mobile broadband at home (85 per cent of respondents) than those who have both fixed and mobile broadband subscriptions (34 per cent). Nonetheless, home is the main place to use mobile broadband for the majority of respondents, apart from in Singapore where mobile broadband is just as likely to be used at school or at work. Respondents in Sweden are split 50/50 between home and mobile usage, while ‘careerists’ everywhere use mobile broadband more often outside the home.

### **Who is the typical mobile broadband user?**

Mobile broadband unlocks the Internet for everyone. Users are found across all consumer segments, although it is ‘early adopters’ who are most interested in using mobile broadband. These people are typically working males between the ages of 25 and 39.

Broadly speaking, mobile broadband has two main groups of users: those who use it as their personal and only broadband connection; and those who use it as a complement to fixed broadband.

### **Do people prefer in-built or external mobile broadband modems?**

Ericsson’s study found that in-built and external mobile broadband modems serve somewhat different, complementary requirements. Ease of use and constant availability drive user preference for built-in modems, while the ability to share modems between different computers drives user preference for external modems (dongles).

Around 40 per cent of current and potential mobile broadband users prefer a built-in modem because of ease of use and the convenience of having fewer devices to carry around.

Many current and potential users also see the need for external modems as an easy way to share broadband access between different devices. Around 30 per cent of respondents would use a dongle to move between desktop and laptop computers.

### **What are the key barriers to mobile broadband uptake?**

Lack of awareness, price, quality of service and the lack of a laptop are the main barriers for mobile broadband in general. Some people were also afraid of having their laptops stolen outside the home (this is why Ericsson and Intel are bringing theft protection to notebooks).

The key reasons people gave for not adopting mobile broadband while on the move were lack of coverage, along with limited access to an electricity supply to recharge batteries, whose capacity is seen as a limiting factor. Young people find the laptops too heavy to carry around and are afraid of damaging them.

If advertising and information from operators does not fit with an individual’s lifestyle, this limits their responsiveness to the mobile broadband offer.

### How can operators improve the uptake of mobile broadband even further?

Our study uncovered some interesting pointers for operators wishing to boost the uptake of mobile broadband in their markets.

The study shows that there is still much to do in terms of raising awareness of mobile broadband and what it can do. Marketing and advertising from operators and recommendations from friends/peers are the main sources of information on mobile broadband for consumers.

One conclusion is that mobile broadband is not just one product: it requires segmented pricing and packaging to attract different customer groups. While mobile broadband unlocks the Internet for everyone, different marketing messages are need for different user groups: they need to be able to relate to the way mobile broadband usage is depicted in commercials.

To unleash the full potential of mobile broadband it is essential to offer good mobility – both inside and

outside the home – and that means building out coverage with good and reliable data speeds. This is vital in delivering a good, convenient user experience, enhancing perception of mobile broadband and maintaining customer satisfaction. In addition, price – or value for money – will be especially important among later adopters.

There needs to be a large ecosystem of mobile broadband devices to attract different user groups. Operators need to offer a mixture of built-in modem subscriptions for laptops, which offer ease of use and security, with external dongles that enable users to move between different devices. It is also important to consider bundling offers such as combined mobile and fixed subscription or together with the laptop.

Overall, ensuring good coverage, capacity and speed is key to encouraging further uptake and usage of mobile broadband.

