

Five ways to a better 5G

Key trends influencing consumer 5G in Canada



In this Ericsson ConsumerLab insight report, we uncover the key trends for Canada that are influencing the adoption, usage and perception of consumers towards 5G, and suggest five important steps Canadian service providers can take to meet consumer expectations now and in the future. The report is representative of opinions of 22 million Canadian daily smartphone users and 500,000 5G users gathered via an online survey during April 2021.

Consumer appetite for 5G

The rollout of 5G is unlocking a whole new world of possibilities for society. Not just an improved network connection, 5G is likely to enable life-altering advancements that were once the stuff of science fiction. But while speeds and availability of 5G have been making headlines, it is also important to understand 5G early-adopter emerging expectations and how they perceive the 5G network experience. We conducted more than 1,600 interviews with smartphone users in the Canadian market which has active commercial 5G networks.

Our findings show that service providers need to be more aware of what consumers want to accomplish with 5G and be more innovative in offering new experiences to consumers.

In Canada, we found that 16 percent of consumers could sign up for 5G in 2021, amounting to an estimated 3 million 5G users in 2021. However, there are several factors that might influence adoption including device availability, network evolution and innovative apps, but overall, Canada is still in its infancy in 5G adoption.

The value of 5G

Overall, Canadians that have 5G devices are very pleased with the speed of these devices, but currently believe the experience to be similar to 4G today in Canada. They are satisfied with speeds, but not fully satisfied with innovative applications available today.

Canadian consumers are confused about what 5G offers them and what it means in general. While consumer awareness is strong, heavy tech jargon used in 5G marketing often

muddles understanding of its value, device capabilities and offerings. However, it is believed that the new spectrum bands and new innovative applications that can leverage the benefits of a 5G network will greatly impact adoption and experience.

5G is changing usage behavior

5G is triggering first-time usage of cloud gaming and enhanced video usage in Canada. Of the 5G consumers in Canada, 37 percent either started streaming cloud gaming, or increased their usage while 28 percent reported the same for high definition video—as the speeds have been needed to provide an enhanced experience.

If you build it, they will come.

In addition, the study showed that when users believed that 5G coverage was available in their city or town, they were five times more likely to upgrade their device. Accelerating 5G coverage and availability is likely to drive adoption and consumer demand.

Five ways to a better 5G consumer experience

Overall, there is significant interest in what 5G can bring to Canada, and users are ready to embrace innovative applications, services and devices that leverage the greater speeds, efficiency and lower latency that 5G offers.

1

Closing the knowledge gap—Address misconceptions in order to better market the value of 5G and clear up confusion over handset capabilities and benefits.

2

Consumers expect consistent quality of indoor and outdoor coverage—Improving 5G coverage is likely to accelerate adoption by at least five times.

3

Adapt to new network requirements—created by usage of new apps and services over a 5G network.

4

Look at what consumers want, to envision new use cases—5G is pleasing early adopters, but they expect more innovation.

5

Accelerate the commercialization of new use cases—Consumers express a desire for their CSPs to move from 5G showcases to use cases.



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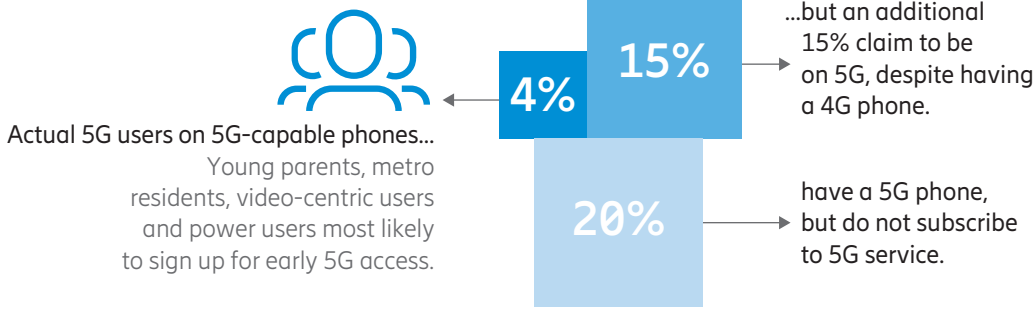
September 2021

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Five key trends in Canada



Who's really using 5G?



Perceived increase in 5G availability increases likelihood of 5G adoption by

5X.

5G usage drives changes in Canadian consumers' behavior.



15% of 5G users on average claim they have decreased Wi-Fi usage on smartphone while at home.

5G encourages adoption of cloud gaming, HD streaming and XR usage on smartphones. Among 5G early adopters, time spent on cloud gaming, HD video and XR content increased:

12% started cloud gaming on smartphones—and spent **2 hours more** doing so.*

9% started streaming HD videos over 5G—and watched over **2 hours more**.*

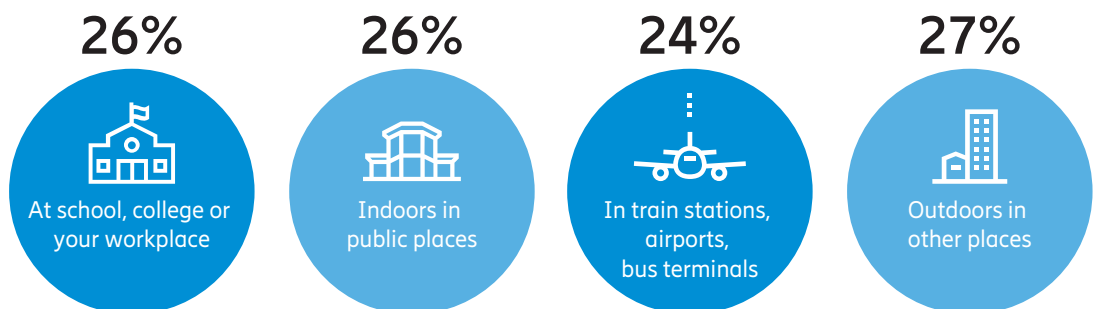
9% started using AR apps—and consumed over **1.5 hours more** AR content.*

* per week on average, compared to 4G users

Good indoor coverage is paramount.

5G smartphone use starts to displace use of public Wi-Fi while at school, work, and public indoor spaces.

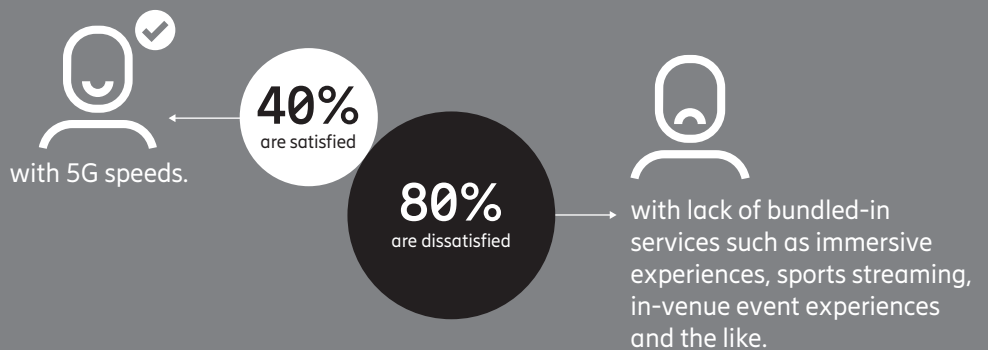
Quality of 5G network coverage at home and at other indoor places is a key driver of customer satisfaction.



of consumers reporting decreased Wi-Fi usage after adding a 5G subscription.

5G connectivity is pleasing early adopters, but they expect more innovation.

5G network speeds perceived to be satisfactory, but 5G users expect more 5G-associated novel offerings.



Desire to move from showcases to use cases

Canadian consumers are willing to pay **15% more** for 5G plans which include compelling digital services.



Commercialization of "business-ready" services such as:



High-speed cloud transfer



Streaming TV service with 5G home broadband



In-venue immersive stadium experiences

is likely to persuade consumers to upgrade to 5G premium plans.