

# THE 5G CONSUMER BUSINESS CASE

An economic study of enhanced mobile broadband



The first steps towards offering 5G on a commercial scale will be taken within operators' current business: mobile broadband for consumers. To better understand the economic impact of 5G, Ericsson explored:

- > How 5G can help operators overcome the key challenges related to mobile broadband
- > The economic case for increasing radio access capacity through 4G-only and 4G+5G deployment

## Enhancing today's services for tomorrow

The network evolution of a typical European operator was modeled. The analysis revealed that 5G will have significant economic benefits.

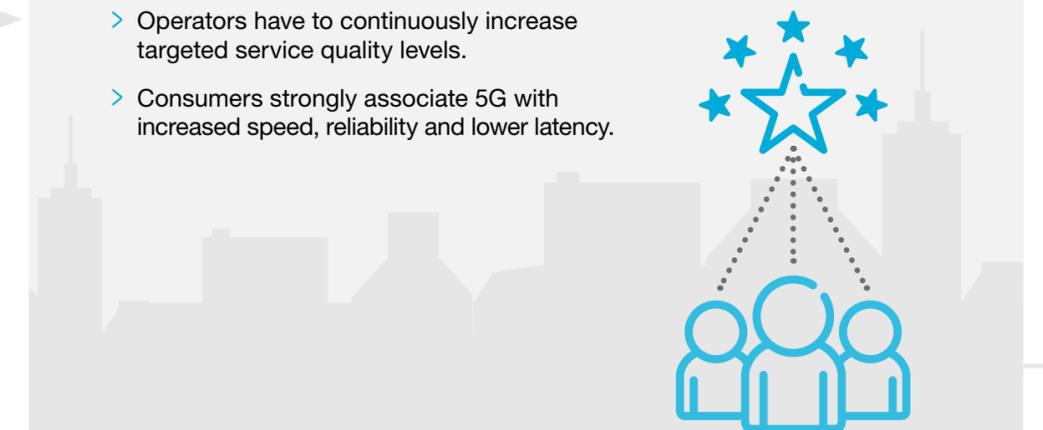
## 1 Improved data traffic management

- > Mobile data traffic is forecast to grow by eight times between 2017 and 2023.
- > 5G will enable new, cost-efficient tools to help operators manage data growth.



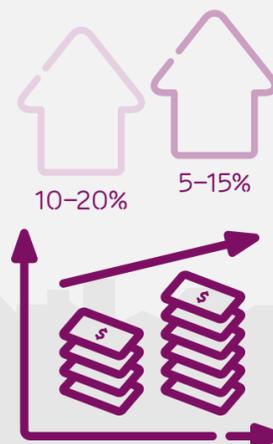
## 2 Enhanced ability to meet rising expectations

- > Operators have to continuously increase targeted service quality levels.
- > Consumers strongly associate 5G with increased speed, reliability and lower latency.



## 5 Improved Net Present Value (NPV)

- > The cost efficiencies enabled in the 4G+5G deployment scenario improved the modeled operator's NPV by 10 to 20 percent.
- > Market effects related to first-mover advantages and improved customer experience boosted NPV by a further 5 to 15 percent.



## 4 Lower cost per gigabyte

- > 5G will enable additional capacity expansions on existing 4G sites, reducing the need for network densification.
- > New technology increases cost efficiency. The evolution to 5G will enable 10 times lower cost per gigabyte than current 4G networks.



## 3 Monetization through first-mover advantage

- > Frontrunner operators gain strategic advantages by staying ahead of the competition.
- > The introduction of new technology, such as 5G, could be used by proactive players to gain market share and revenue.

