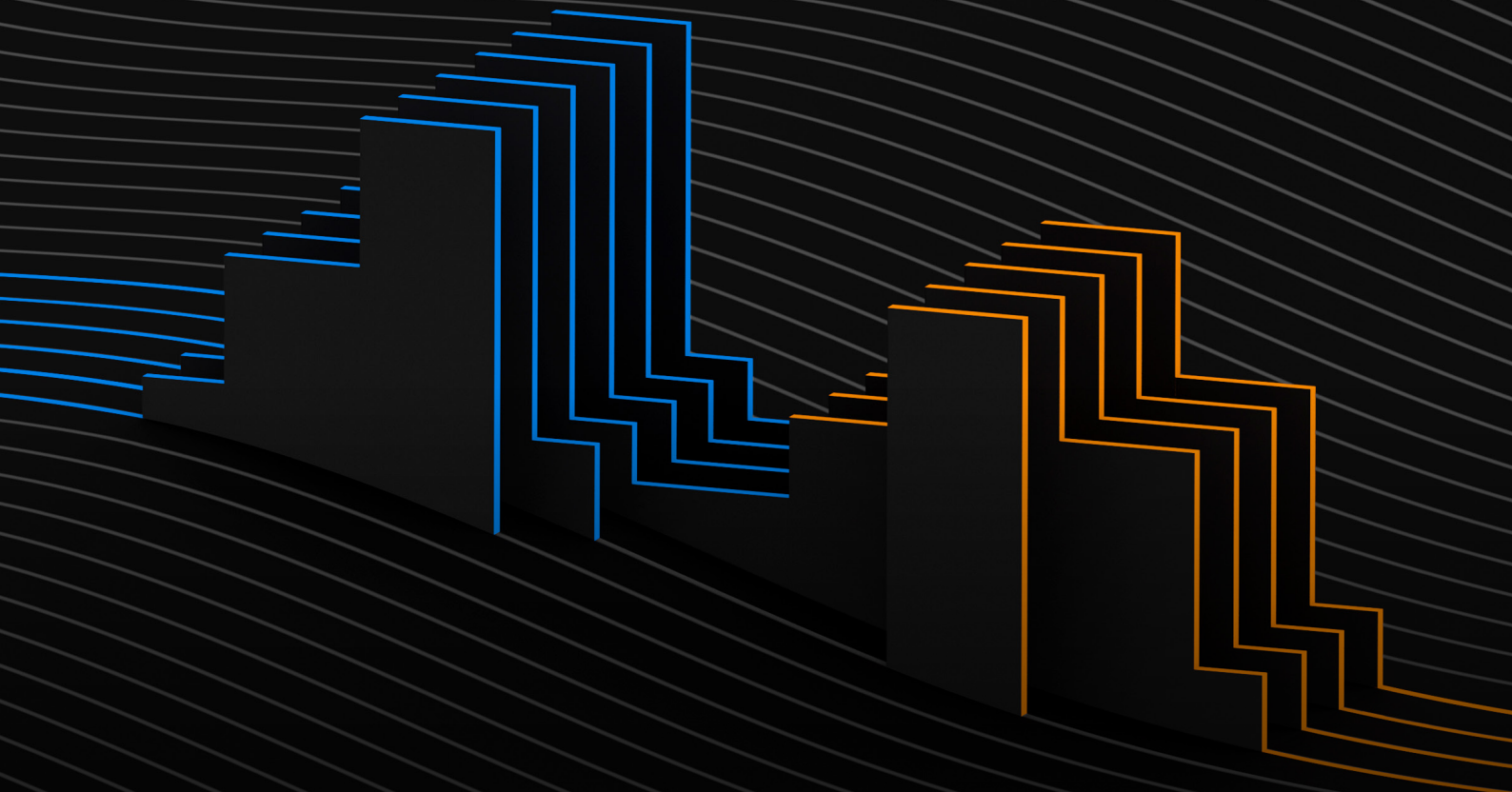




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Connected consumers getting through the pandemic



Extract from the Ericsson Mobility Report
June 2020

Connected consumers getting through the pandemic

The COVID-19 pandemic has had a substantial impact on people in many countries and their daily lives, but consumers see resilient networks as a vital help in coping with everyday life.

The pandemic has prompted authorities around the world to implement a variety of social distancing measures to slow transmission of the virus. A recently conducted consumer study¹ documents the extent smartphone users in 11 countries state they have been impacted. The perceived impact on daily life ranges across the markets based on the level of restrictions imposed, from 82 percent in India stating their personal life is highly impacted to only 45 percent in Sweden.

Three in four of the highly impacted parents state that ICT has helped their children a lot in accessing education and keeping them entertained. Two in three among those who say that the crisis has had a high impact on their personal life agree that reliable connectivity has helped them work remotely.

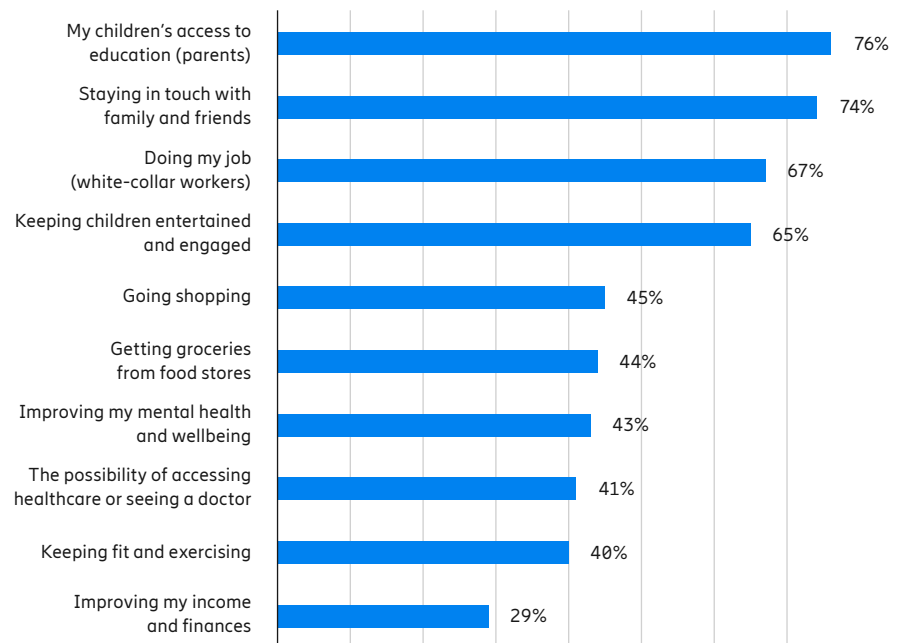
83%

Of the survey respondents, 83 percent claim that ICT helped them a lot, in one way or another, to cope with the lockdown.

ICT vital for consumers to cope with everyday life

Across all the surveyed markets, 83 percent of respondents claim that information and communications technology (ICT) has helped them a lot in coping with the impact of the pandemic in various ways. There is a higher than average degree of feeling supported by ICT among career millennials,² parents with children at home and those living in centers of larger cities. Among the seniors (60+), 3 in 4 also state that ICT has helped them a lot during the crisis, especially in being able to stay in touch with family and friends. The most important communication services among all respondents for this purpose have been voice calls and instant messaging. Among seniors, 4 in 10 ranked video calls as 1 of the 3 most important communication services.

Figure 3: Share of smartphone users who consider ICT has helped them a lot with different tasks in their daily lives during the COVID-19 pandemic

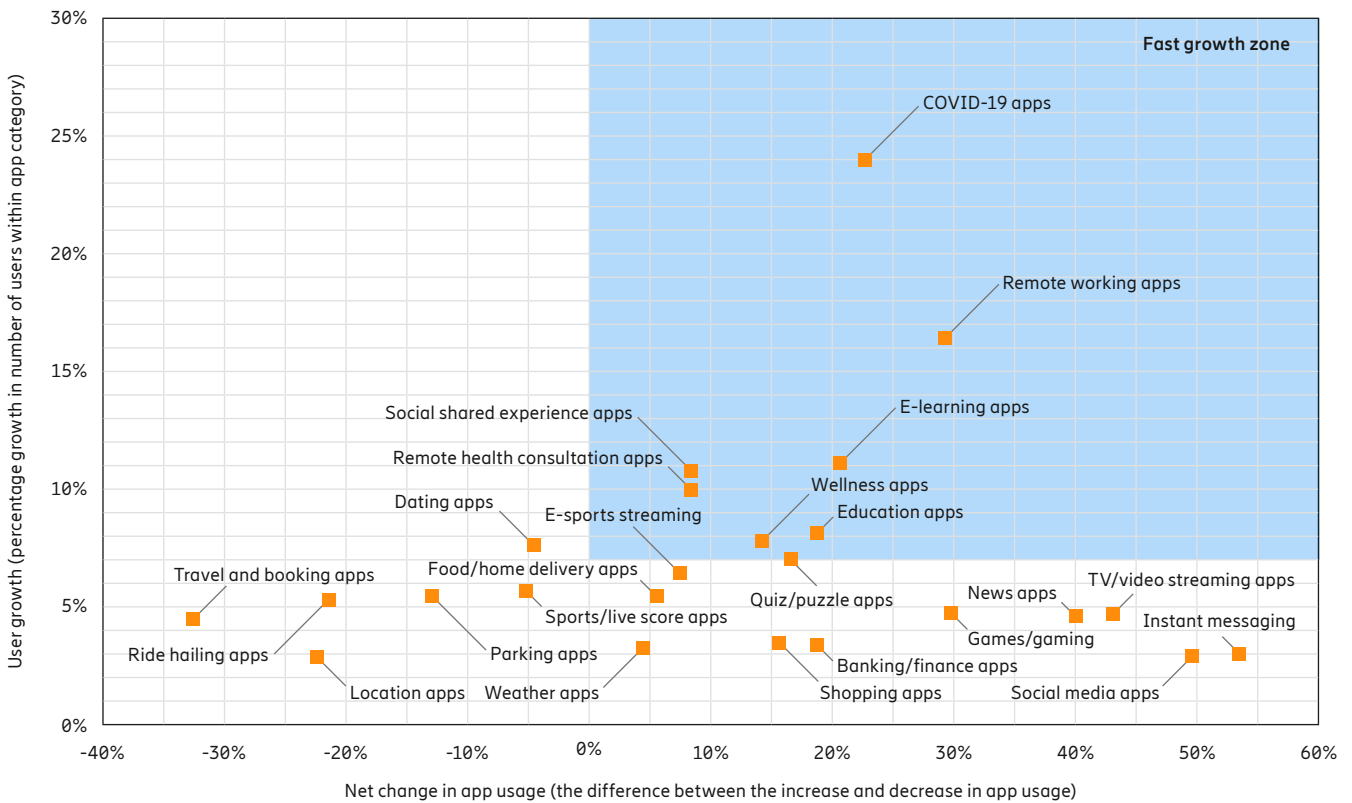


Base: Smartphone users aged 15–69 who claim their daily life is highly impacted by the lockdown restrictions, in Brazil, China, France, Germany, India, Italy, South Korea, Spain, Sweden, the UK and the US

¹ Ericsson Consumer & IndustryLab, Keeping consumers connected in a COVID-19 context (April 2020): www.ericsson.com/en/reports-and-papers/consumerlab/reports/keeping-consumers-connected-during-the-covid-19-crisis

² Age 23–39 years

Figure 4: Smartphone apps – user growth and net change in usage during COVID-19 lockdown restrictions



The importance of networks is reflected in increased usage

The daily time consumers spent connected to fixed broadband increased by two and a half hours during the crisis, while the time spent connected to mobile broadband increased by an average of one hour per day. As many as 46 percent have spent significantly more time on fixed broadband, while 16 percent have done the same on mobile broadband.

In markets with limited penetration of fixed residential networks, the mobile broadband network was especially valued. For example, in India, 33 percent claim mobile broadband is more important than fixed broadband, as 37 percent only or most often rely on mobile broadband to connect at home. In South Korea, the US, China, Italy and Brazil, almost half of respondents claim that the networks are equally important to them.

While most online activities on smartphones were mainly done connected to Wi-Fi at home, some activities were an exception. Thirty-eight percent of all respondents in the survey claim that they spend half of their overall time using social media apps connected to a mobile broadband network rather than a fixed network.

Networks cope well with the increased usage

Compared with before the lockdown restrictions, 74 percent experience their mobile broadband network as the same or better than before the crisis, while 21 percent say it is worse. About half of all consumers say they are very satisfied with their fixed broadband’s overall performance. This shows that both mobile and fixed broadband have coped well with the increased internet usage.

Changes in service usage behavior

Although the pandemic created new concerns for consumers, they are still buying new devices and expanding their usage of ICT services. About 1 in 10 have bought new devices, and 2 in 10 have started to use new services. However, far more consumers have increased their usage of the online services they already use. Across the 11 markets, 87 percent have increased their usage of existing online services. A majority has increased usage of (in descending order): web browsing, instant messaging, streaming of videos, social media, video calls and voice calls.

Analysis of the net changes in app usage and new user growth reveals that apps for COVID-19 information and symptom tracking, e-learning, remote working and wellness all experienced an increase in usage, as well as a net new

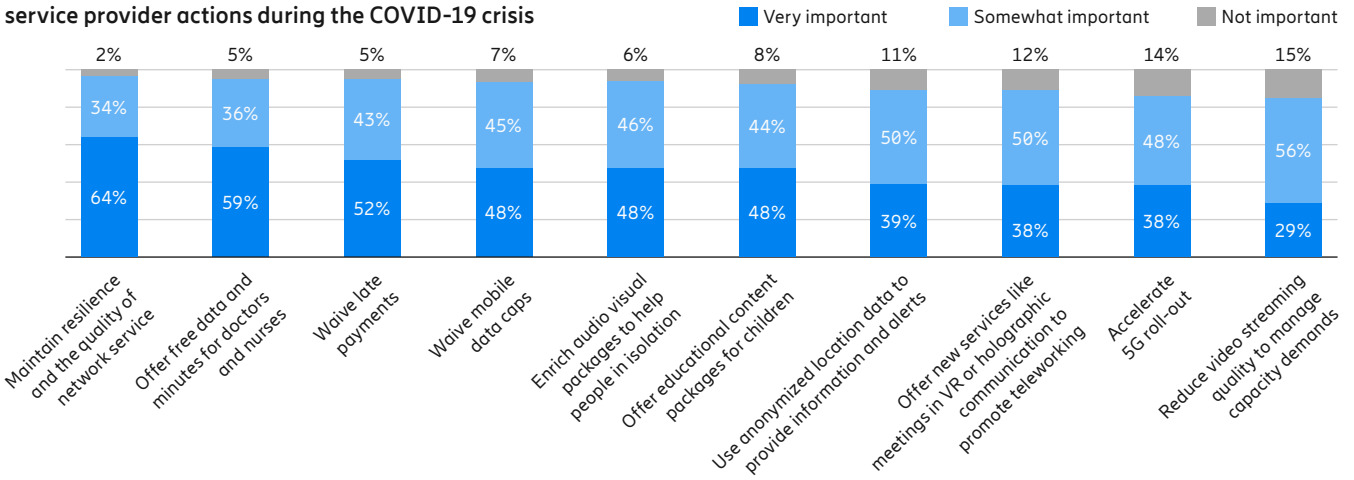
user growth of at least 8 percent or more. In addition, the need to socialize while in isolation and avoiding physical visits to doctors during the crisis drove users to start using remote health consultations and social shared experience apps. However, apps related to travel and booking, sports and navigation decreased the most in usage.

Methodology

This article is based on data from an Ericsson Consumer & IndustryLab survey among smartphone users aged 15–69 years across 11 countries: Brazil, China, France, Germany, India, Italy, South Korea, Spain, Sweden, the UK and the US. The data has been collected through online questionnaires between April 8–24, 2020. The sample of 1,000 respondents in each country – a total of 11,000 respondents – statistically represents at least 700 million smartphone users across these markets.

The average time spent on Wi-Fi increased by two and a half hours per day, while mobile broadband usage increased by one hour per day.

Figure 5: Level of importance respondents give to the following service provider actions during the COVID-19 crisis



Service providers expected to deliver resilient networks and innovative offers

Many smartphone users expect service providers to be creative in meeting the new demands and needs of their customers and communities. In the study, several statements were tested to see the relative importance of different actions service providers could take with the network and service packaging. Six in 10 consumers think it is very important that service providers maintain the resilience and quality of the networks. A majority expect that their service provider assists frontline workers, such as doctors, nurses and first responders, by rewarding them with free usage of data and voice calls. They are also expected to refrain from charging additional fees for late payments and remove any existing data caps.

It is worth noting that certain segments are over-represented in specific requirements, for example 61 percent of parents expecting educational content packages for children, and 48 percent of white-collar workers expecting new services like meetings in virtual reality (VR).

Consumer expectations of 5G networks

In times of crisis, when connectivity is important for consumers to carry out work- and leisure-related activities, expectations for better network experiences become higher. Six in 10 smartphone users have a clear positive attitude towards the role 5G could have played during the crisis, and about half of them strongly agree that 5G could have offered both better network capacity and higher speeds compared to 4G. They also believe that society overall could have benefited hugely from 5G. There was a similar level of agreement related to 5G’s role from a medical perspective. For example, medical specialists could have

used 5G to control medical equipment via remote centers or 5G-enabled robots could have carried out tests, reducing the time medical staff need to spend in infectious spaces.

On average, 16 percent of smartphone users across 5 EU markets (Sweden, France, Germany, Italy and Spain) and 41 percent in India and China indicate that they plan to upgrade to 5G as soon as the crisis subsides.

The survey also reveals that current 5G users carry out more activities online than 4G users, such as grocery shopping, streaming videos and playing games. 5G users are also more optimistic about 5G’s potential. Although 4 in 10 respondents strongly agree that 5G coverage should be rolled out much faster, so they can have a faster network than their fixed broadband at home, as many as 6 in 10 5G users strongly agree with this.

Current 5G users agree to a larger extent than 4G users that mobile broadband is more important to them than fixed broadband. In fact, 23 percent of current 5G users think mobile broadband is more important in a comparison with fixed, while another 48 percent say the networks are equally important.

The pandemic has driven adoption and increased usage of many ICT services that have enabled consumers to build a new normal underpinned by connectivity. This has also built an exciting foundation for the potential role that 5G could play in enriching services and making the management of such a crisis much easier, helping to keep us all connected when we have to stay apart. While 57 percent will save money for financial security, one-third plan to invest in 5G and better broadband at home to be prepared for a potential next wave.

64%

Of the consumers asked, 64 percent think it is very important that service providers maintain the resilience and quality of the networks.

New digital behaviors may remain
Based on their behavioral changes during the lockdown restrictions, consumers predict that their new digital behaviors will remain after the crisis. Some of the predicted trends are:

- 1. Networks redefined:** Resilient networks will be valued. Seven in 10 say being connected during the crisis is not only important now, but will be in the future as well.
- 2. Autonomous commerce:** Six in 10 predict that deliveries will be carried out by automated drones or driverless cars, due to rising demand for contact-free interactions.
- 3. Borderless workspaces:** After working well away from their offices, 7 in 10 white-collar professionals now predict that remote working will be the new normal.
- 4. Synchronous care:** Six in 10 respondents in the US and UK predict that online healthcare consultations will become more popular than physical visits to the doctor.
- 5. Virtual experience economy:** Augmented and virtual reality (AR/VR) applications could evolve into attractive new travel, social or educational service offerings. Six in 10 respondents say VR will allow us to have the experiences we want, even in isolation.

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