

# MOBILE NETWORK PERFORMANCE IN THE EYES OF SMARTPHONE USERS

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# INDUSTRY TRANSFORMATION



Mobility



Broadband



Cloud



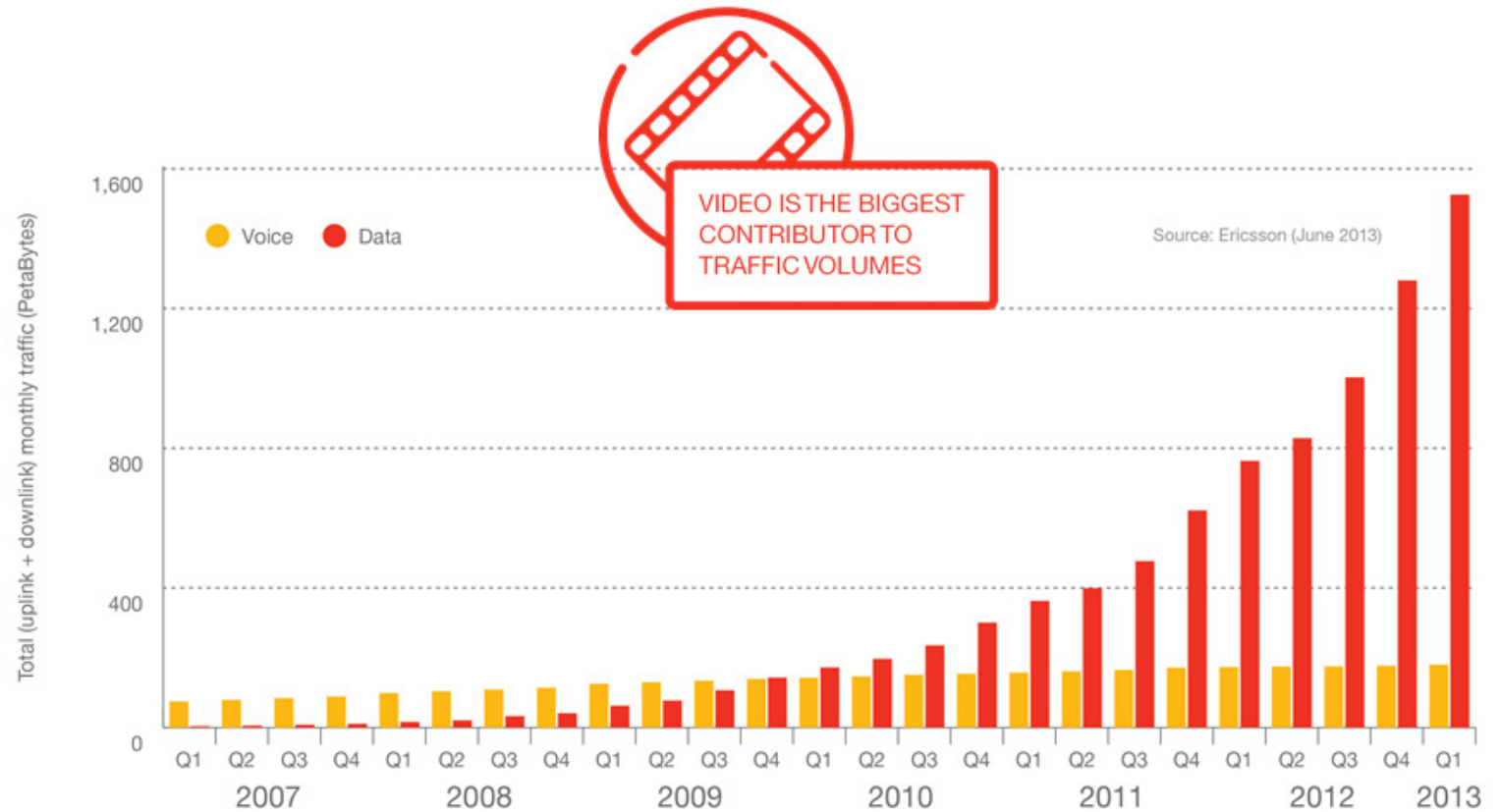
**Service  
convergence  
delivered to users**

# DATA EXPLOSION



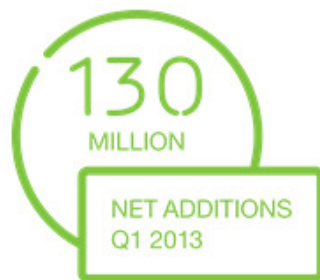
2X  
MOBILE DATA TRAFFIC  
DOUBLED BETWEEN  
Q1 2012 AND Q1 2013

12X  
MOBILE DATA TRAFFIC  
WILL GROW BY ~12 TIMES  
BETWEEN 2012 AND 2018

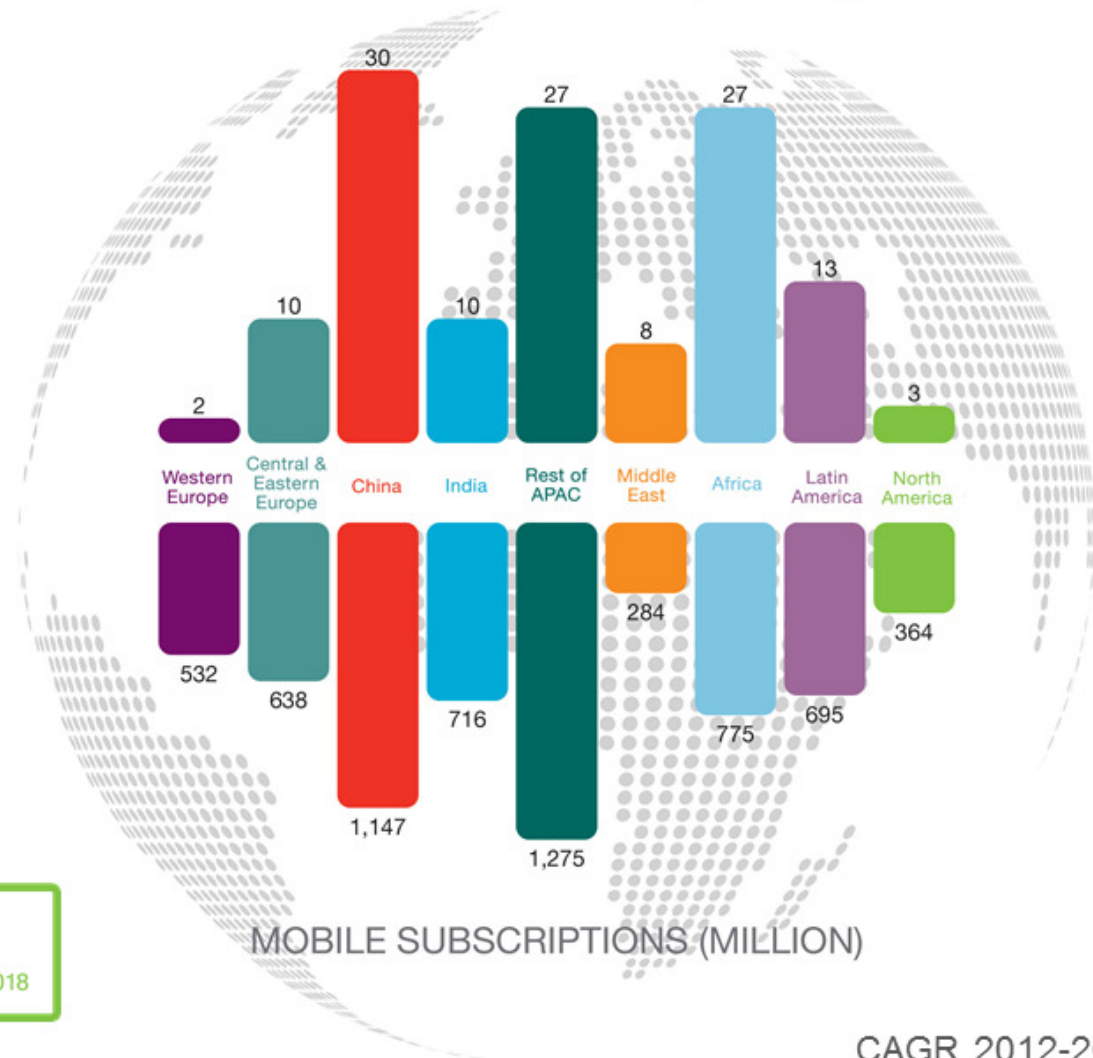


# SUBSCRIPTION GROWTH

- > 6.4B subscriptions in Q1 2013
- > LTE reached 100 million subscriptions in beginning of June



NET ADDITIONS Q1 2013 (MILLION)



MOBILE SUBSCRIPTIONS (MILLION)

CAGR 2012-2018: 6%

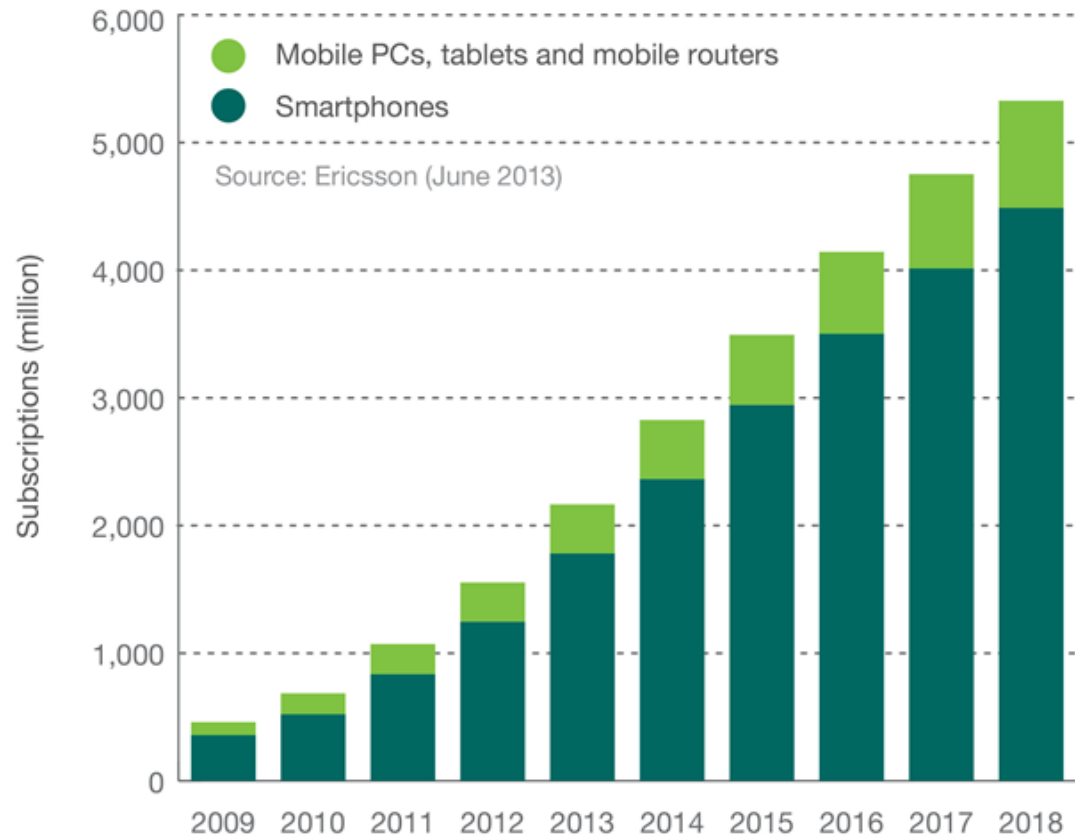
Source: Ericsson (June 2013)

# SMARTPHONE GROWTH

- › 4.5 B smartphone subscriptions by the end of 2018
- › 50% of phones sold during Q1 were smartphones
- › By 2018 the average smartphone subscription will use 2GB of data per month

4X

MORE MONTHLY DATA TRAFFIC PER SMARTPHONE BY THE END OF 2018



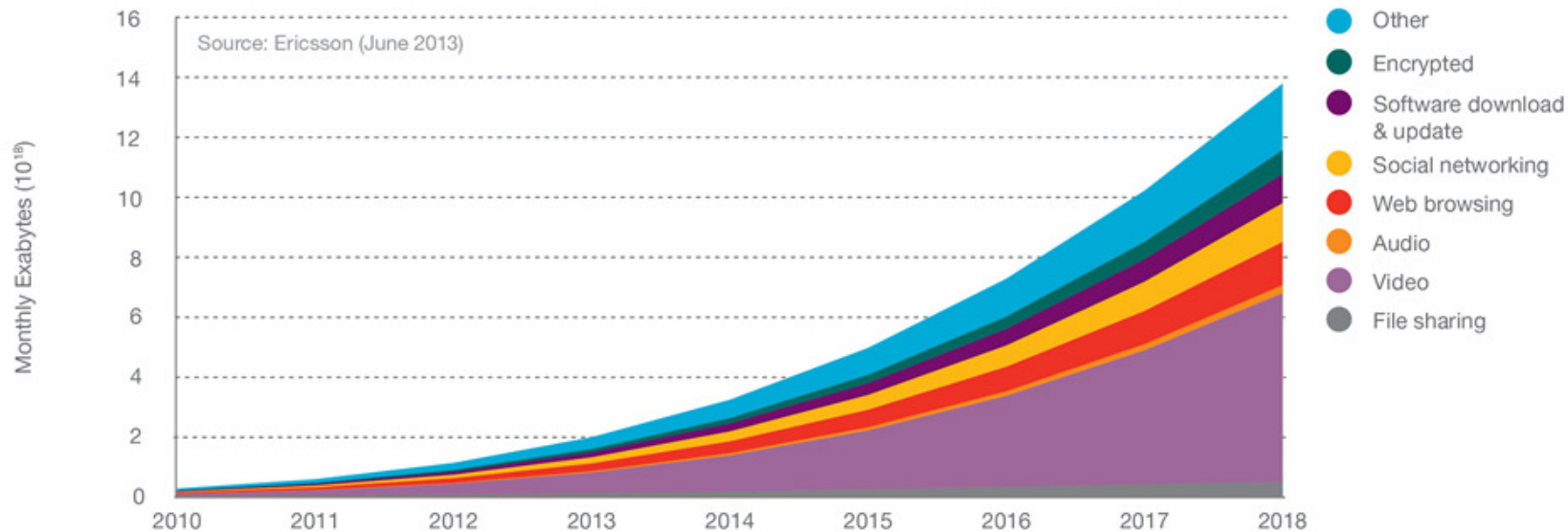
Smartphone subscriptions  
CAGR 2012-2018: 25%

# 12 TIMES MOBILE DATA TRAFFIC BY END OF 2018



60%

MOBILE VIDEO TRAFFIC ANNUAL GROWTH RATE UP TO END OF 2018



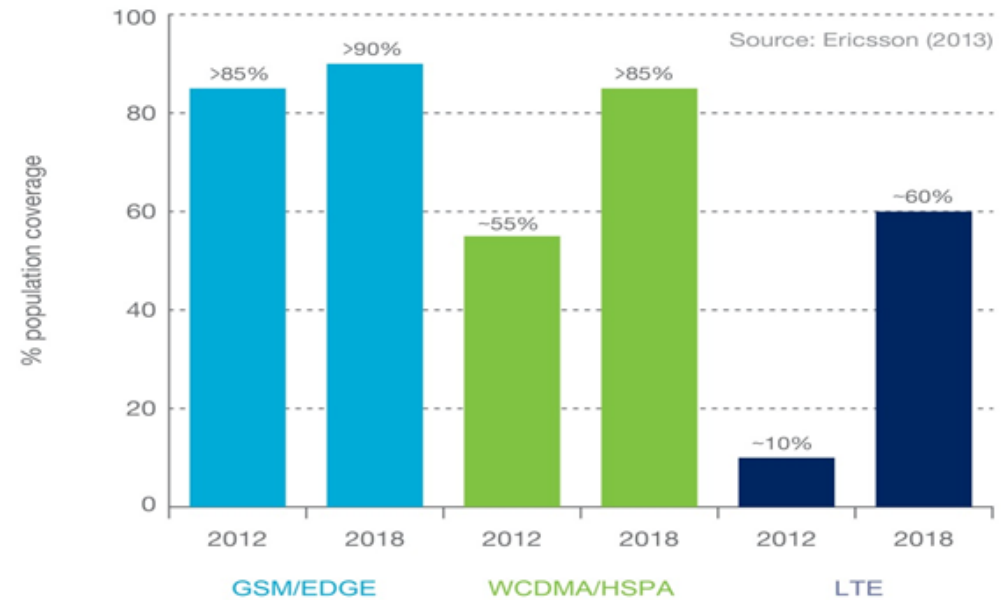
VIDEO WILL ACCOUNT FOR AROUND HALF OF GLOBAL MOBILE DATA TRAFFIC BY 2018

# POPULATION COVERAGE



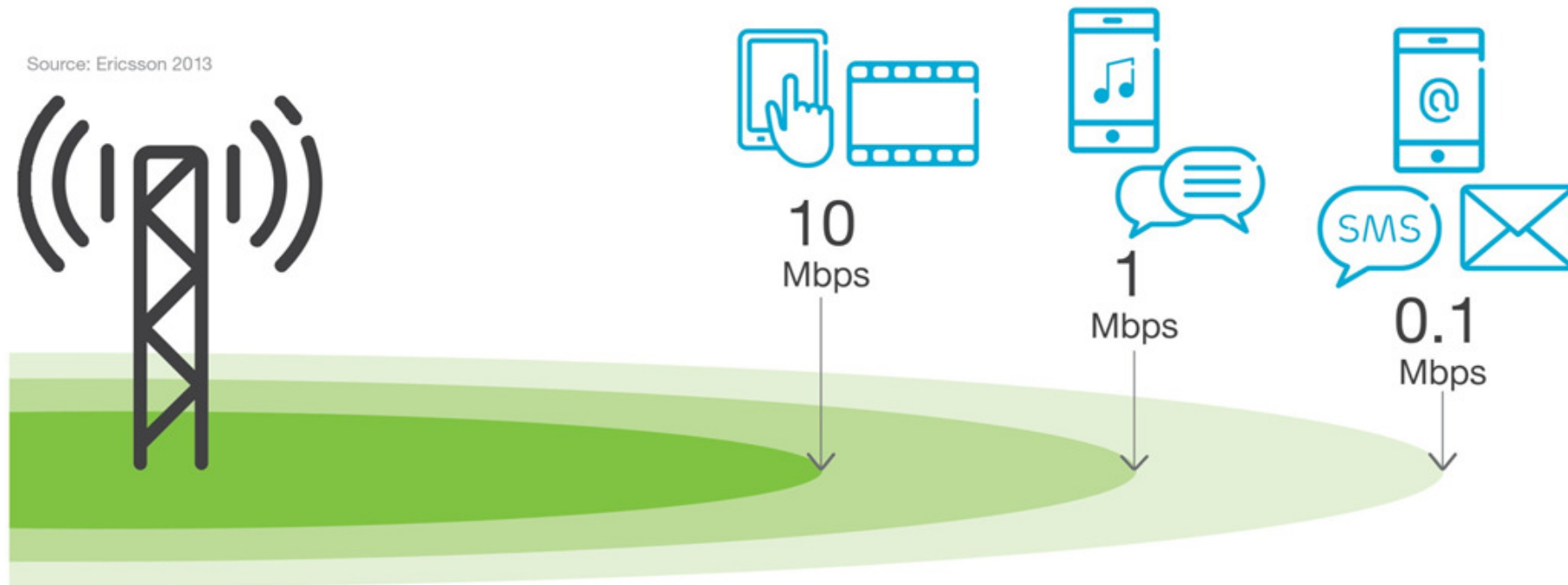
60%

LTE WILL COVER AROUND 60 PERCENT OF THE WORLD'S POPULATION BY 2018



- › More than 85% of world's population covered by WCDMA/HSPA in 2018
- › LTE network deployments continue in all regions of the world, as LTE population coverage doubled in 2012 compared to 2011 (10% vs 5%)
- › 60% of world's population covered by LTE in 2018

# APP COVERAGE



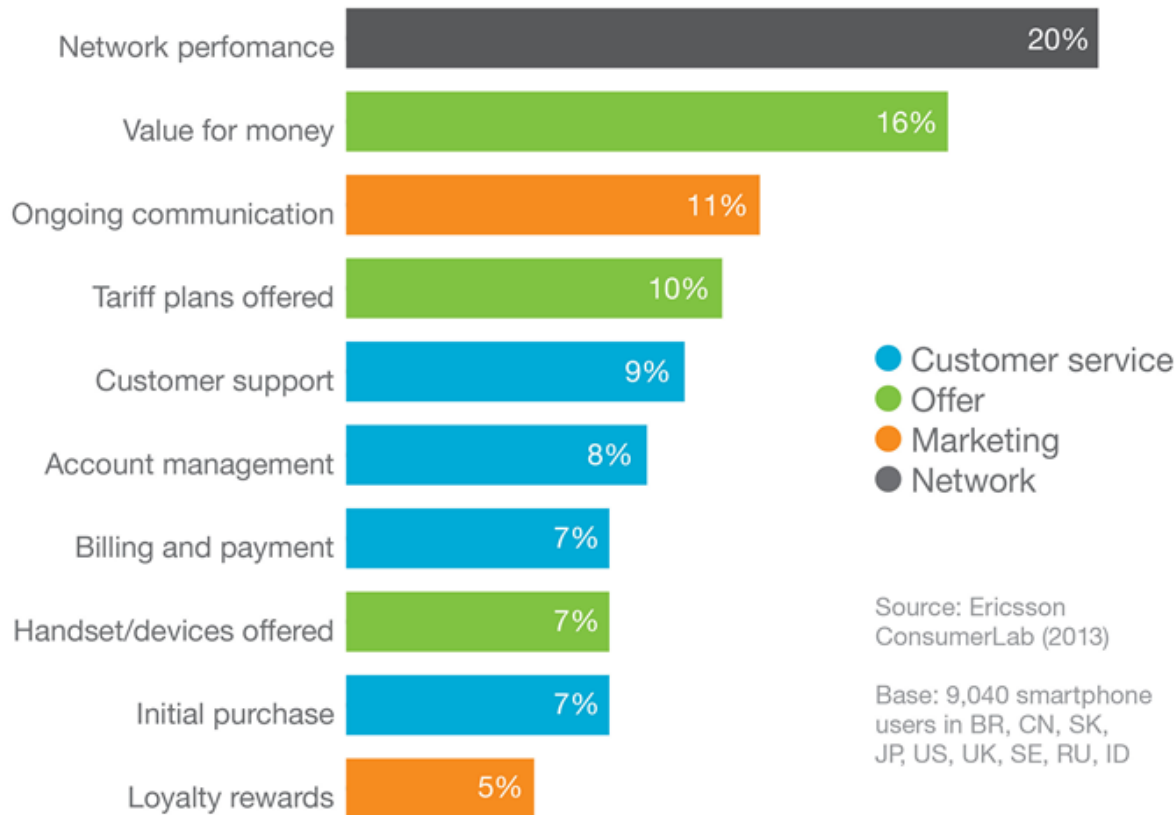
*“App Coverage” – the area where my app works as I expect*



# NETWORK PERFORMANCE



## Driving loyalty

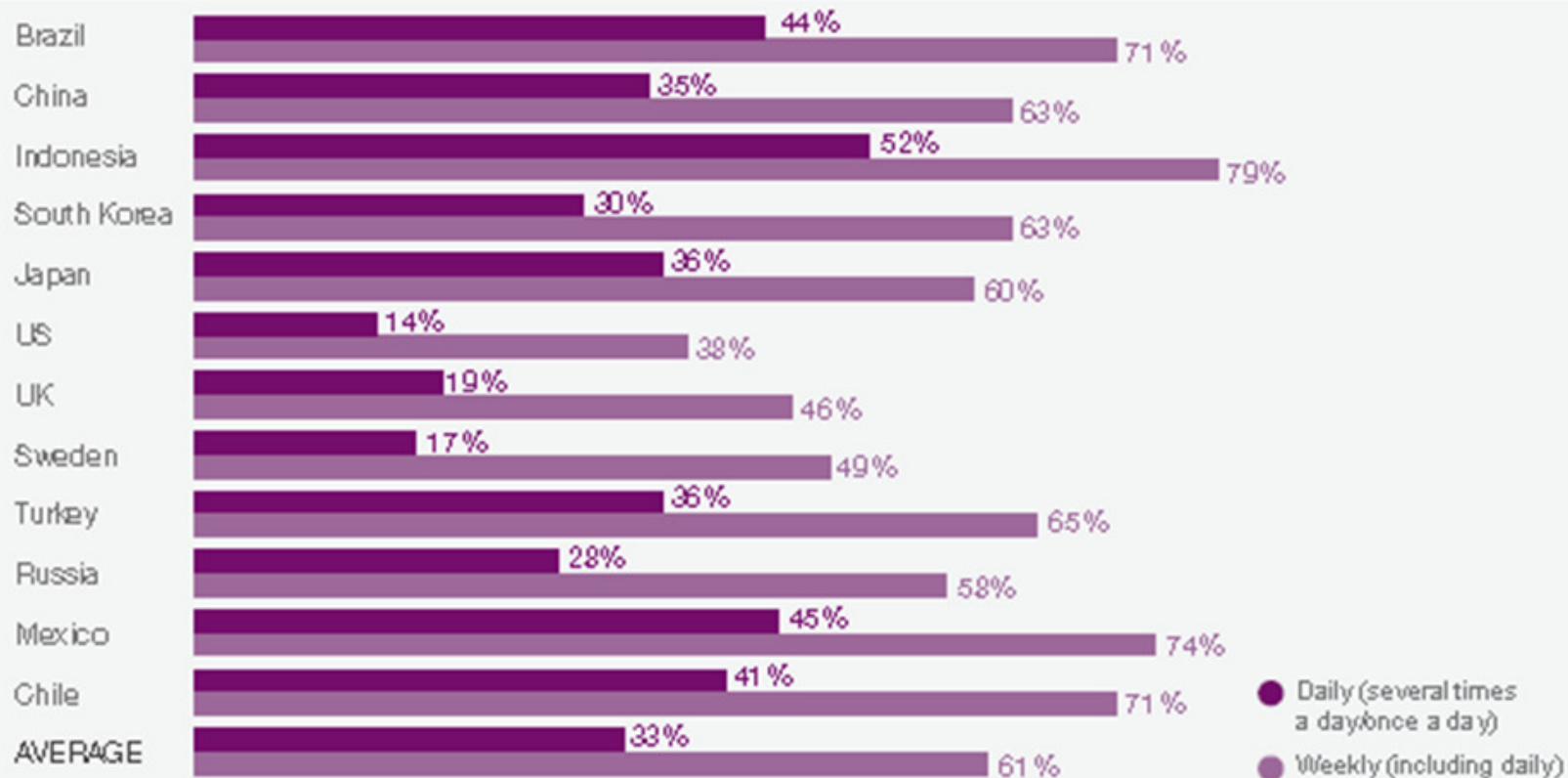


- › Addressing network performance has largest impact on customer loyalty
- › Four times as effective as introducing loyalty rewards

Relative impact between each driver and loyalty to operator brand

# NETWORK PERFORMANCE

High Expectation on the performance



Source: Ericsson Consumer Lab Network Performance Study 2013  
Base: Smartphone users in BR, CHN, ID, SK, JP, US, UK, SE, RU, TUR, CHL, MX

60% of smartphone users experience problems weekly



# KEY TAKEAWAYS



- › Increase of mobile data subscriptions along with increasing average data consumption per subscription will drive the data traffic growth.
- › Technology innovation continues to play a catch up with the growth – 5G development
- › Network performance is currently the main driver of smartphone users' loyalty to operators.
- › App coverage requires a true end-to-end approach to design, build and operate mobile networks together with smartphone performance – Ericsson ConsumerLab and SmartphoneLab



**ERICSSON**