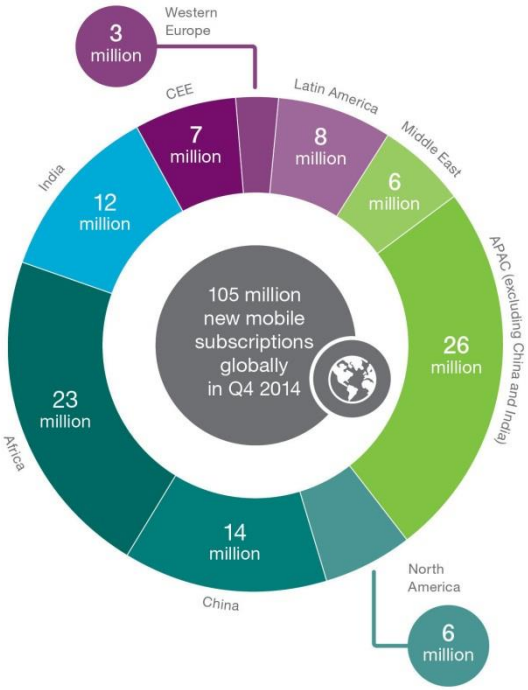
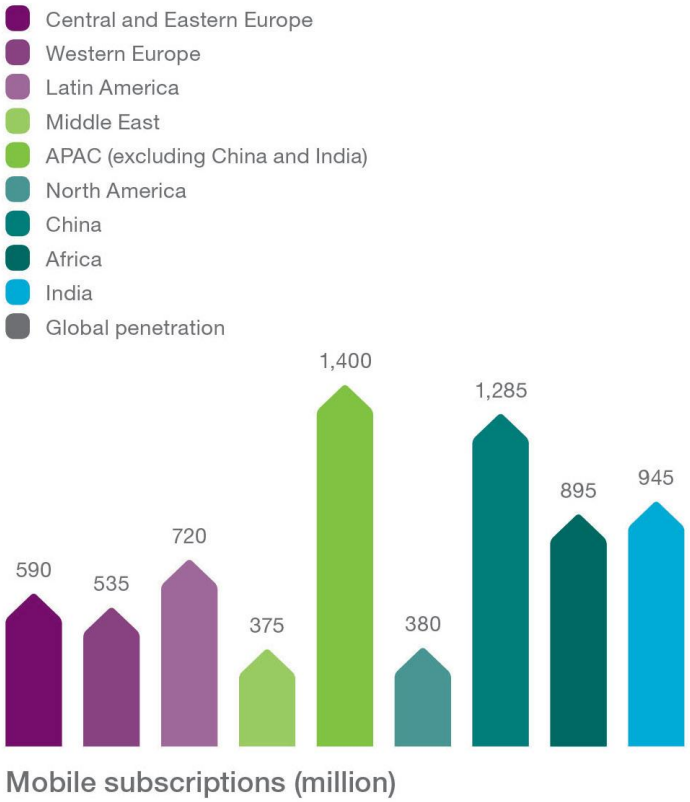
ERICSSON MOBILITY REPORT

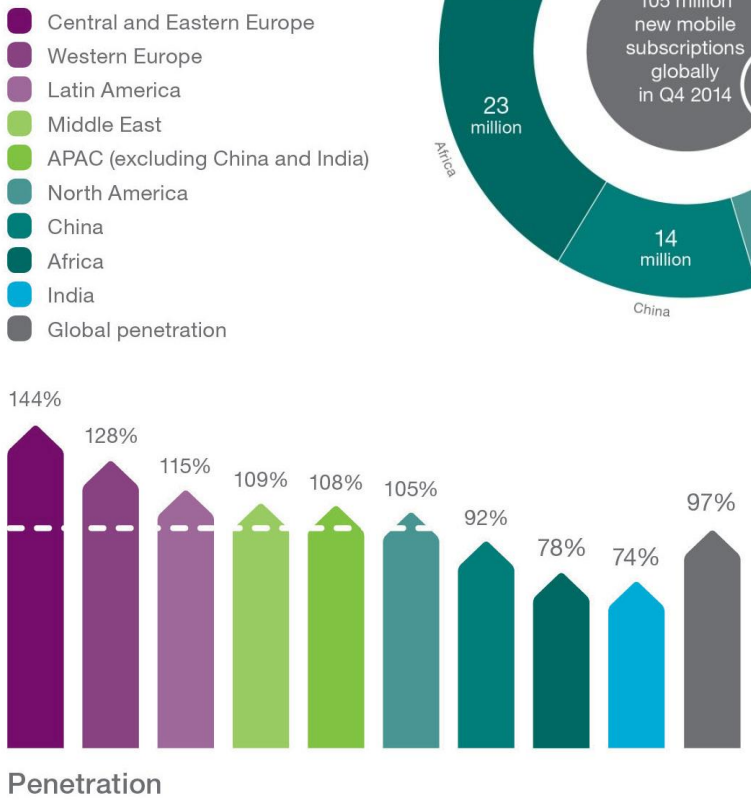
NOVEMBER 2014 AND FEBRUARY 2015



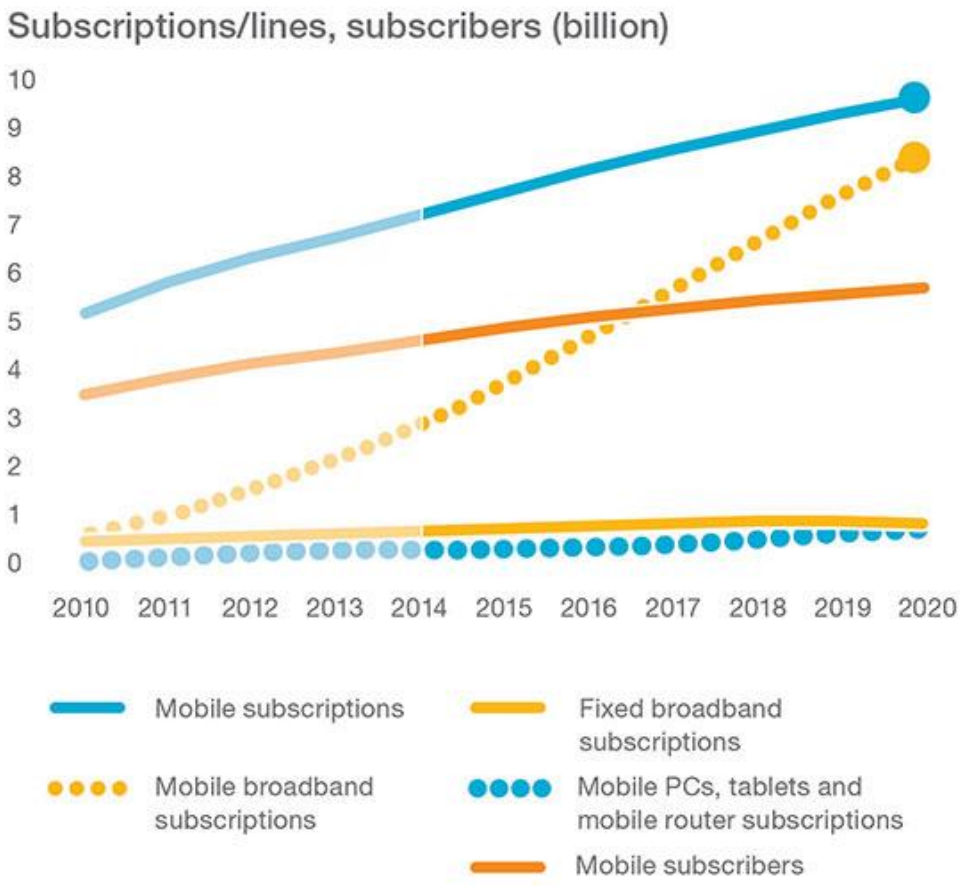
MOBILE SUBSCRIPTIONS Q4 2014







90% OF THE WORLD´S POPULATION WILL HAVE A MOBILE PHONE BY 2020



9.5 BILLION

mobile subscriptions
by the end of 2020

~90%

of **mobile subscriptions** will be for mobile broadband by the end of 2020

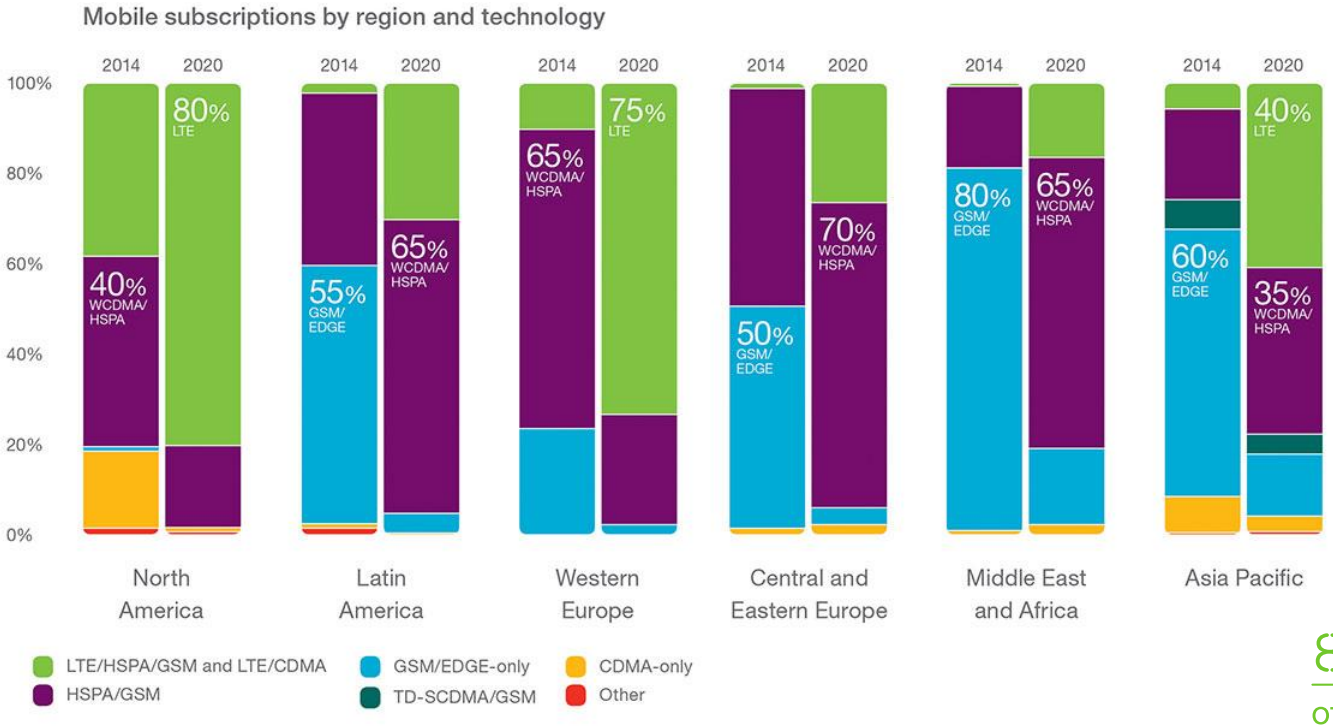
90%

of **the world's population** over 6 years old will have a mobile phone by 2020

TECHNOLOGY BY REGION

85%

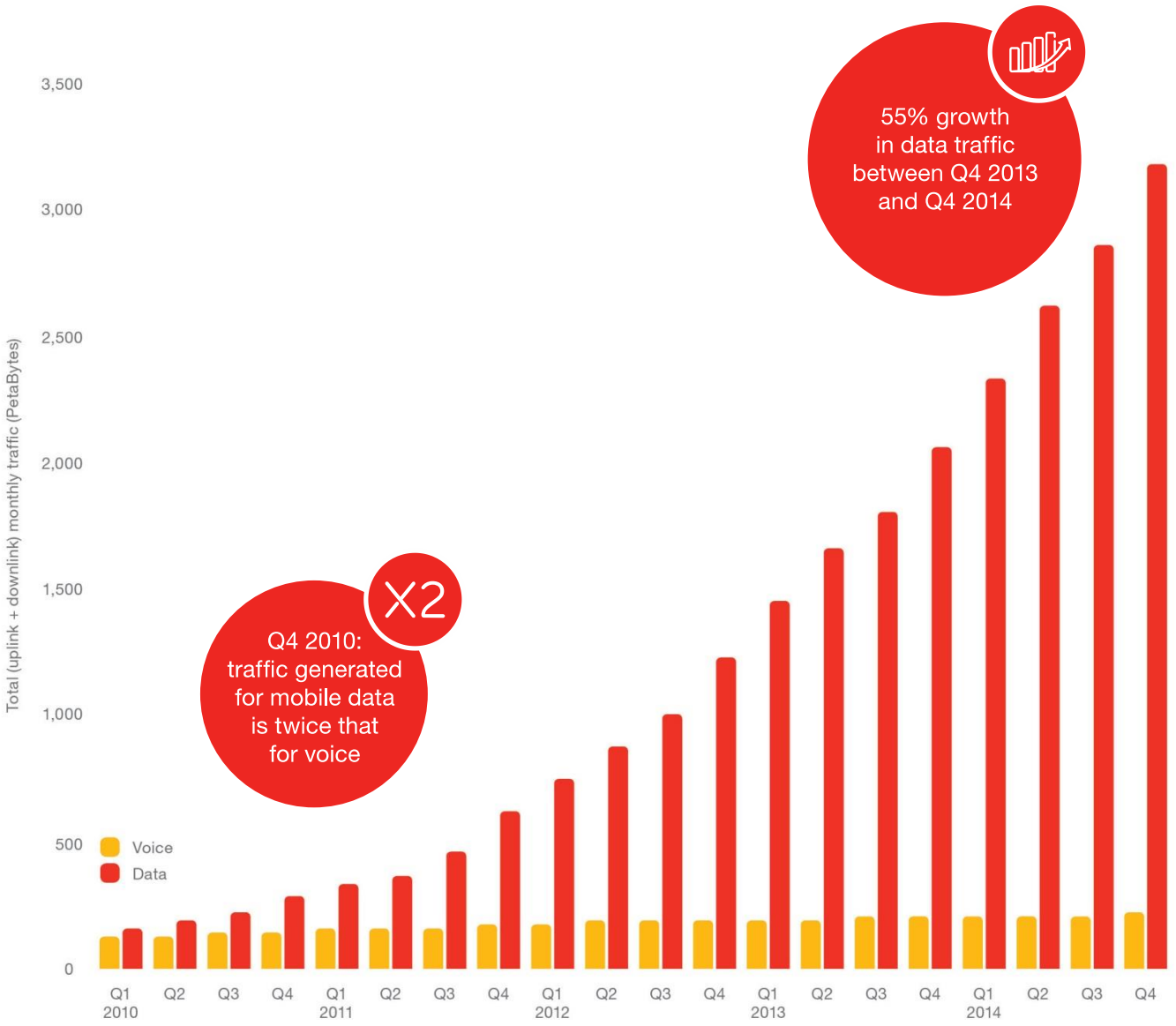
of **Asia Pacific** mobile subscriptions will be 3G/4G in 2020



85%

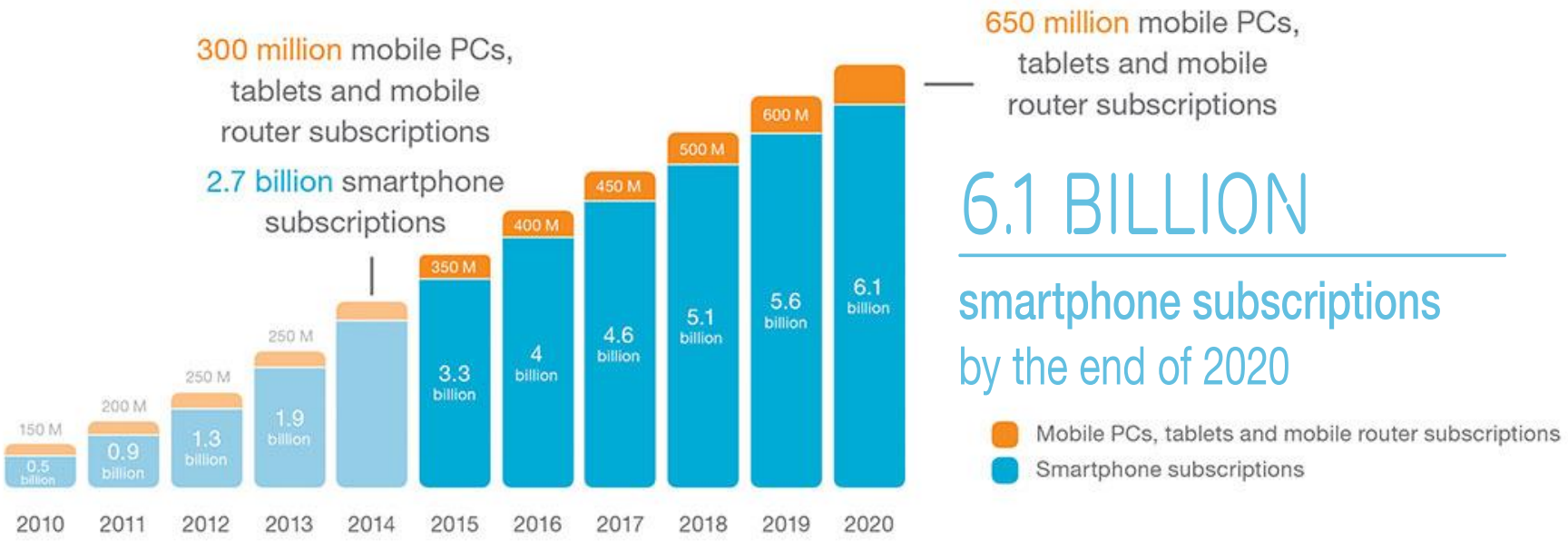
of **Middle East and Africa** mobile subscriptions will be 3G/4G by 2020

MOBILE TRAFFIC Q4 2014



2016: SMARTPHONES OUTNUMBER BASIC MOBILES

Smartphones, mobile PCs, tablets and mobile routers with a cellular connection



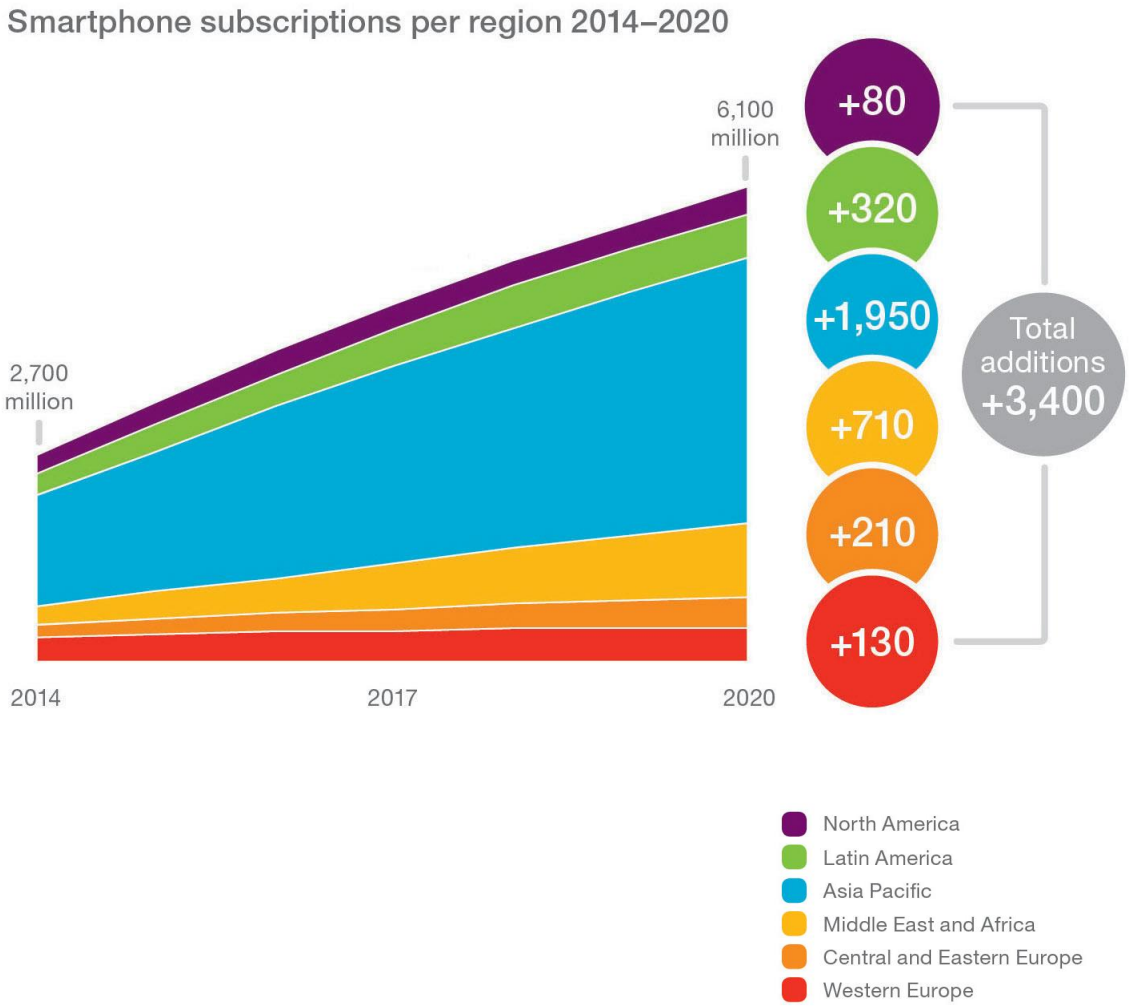
6.1 BILLION

smartphone subscriptions by the end of 2020

- Mobile PCs, tablets and mobile router subscriptions
- Smartphone subscriptions

SMARTPHONE SUBSCRIPTIONS TO MORE THAN DOUBLE BY 2020

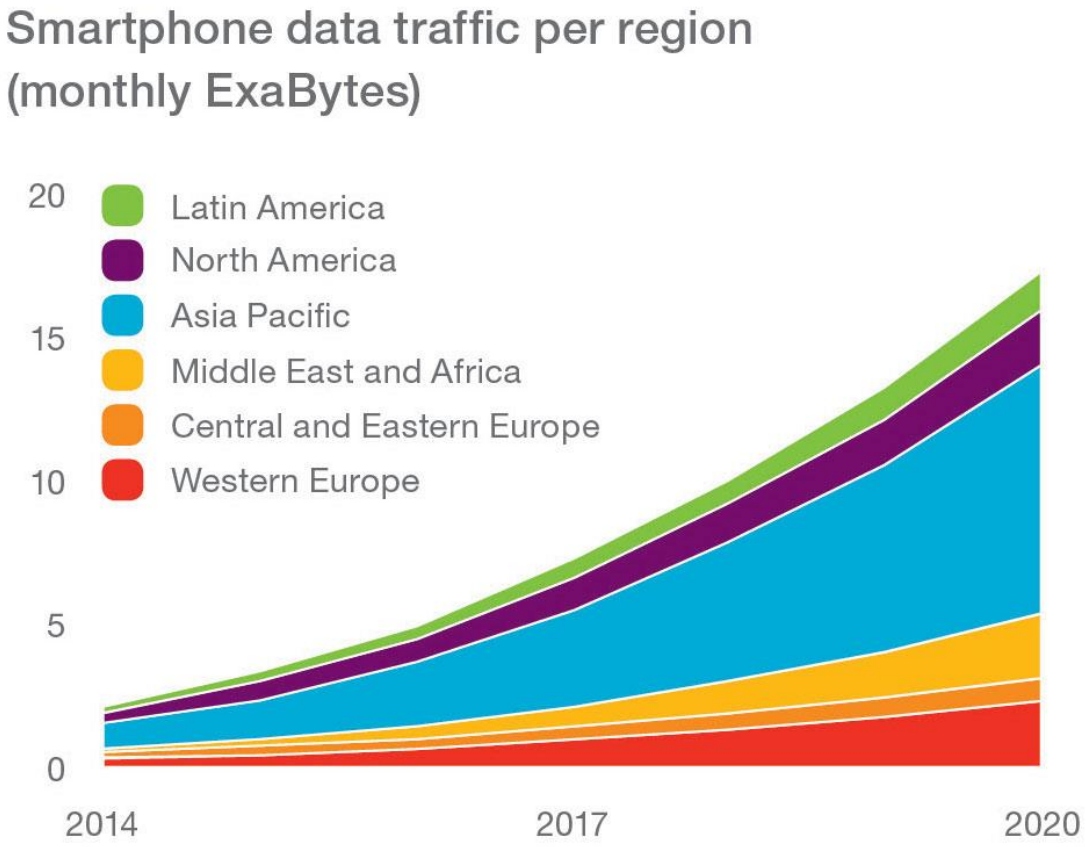
- 2014 saw **800 million smartphone subscriptions added**, due to the addition of new subscribers and existing subscribers exchanging their basic phones for smartphones.
- It took over **five years to reach the first billion smartphone** subscriptions, a milestone that was reached in 2012, and **less than two years to reach the second billion**.
- By 2016 the number of smartphone subscriptions will exceed those for basic phones.



ASIA PACIFIC WILL GENERATE 50 PERCENT OF SMARTPHONE TRAFFIC BY THE END OF 2020

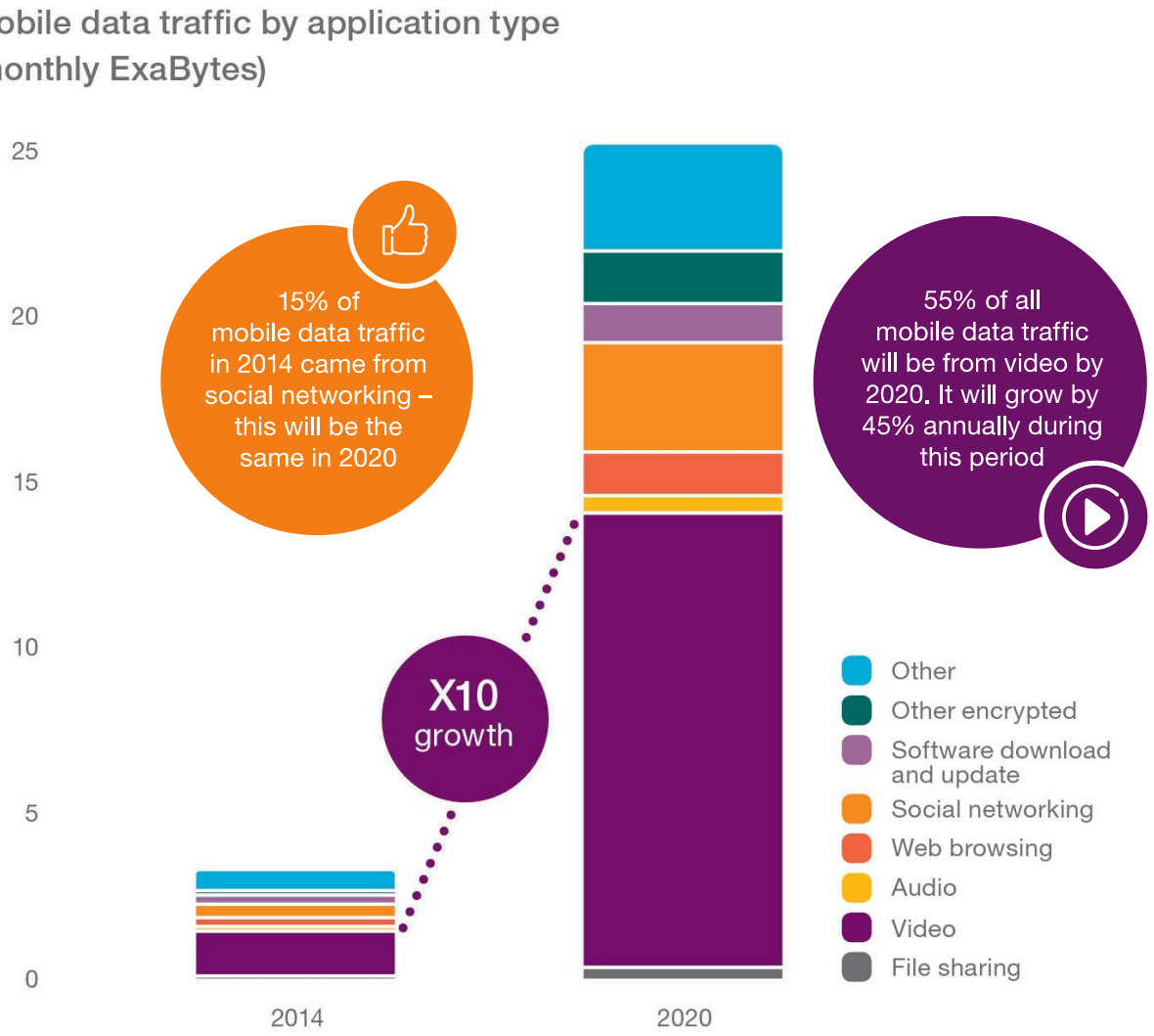
Asia Pacific will generate 50 percent of smartphone traffic by the end of 2020

- Monthly smartphone data consumption per active subscription in Asia Pacific (3.2 GB) will only be 50 percent of that in North America (6.0 GB) and Western Europe (6.5 GB). However, the Asia Pacific region will have the largest share of total smartphone traffic in 2020, due to subscription growth



MOBILE VIDEO DOMINATES TRAFFIC GROWTH

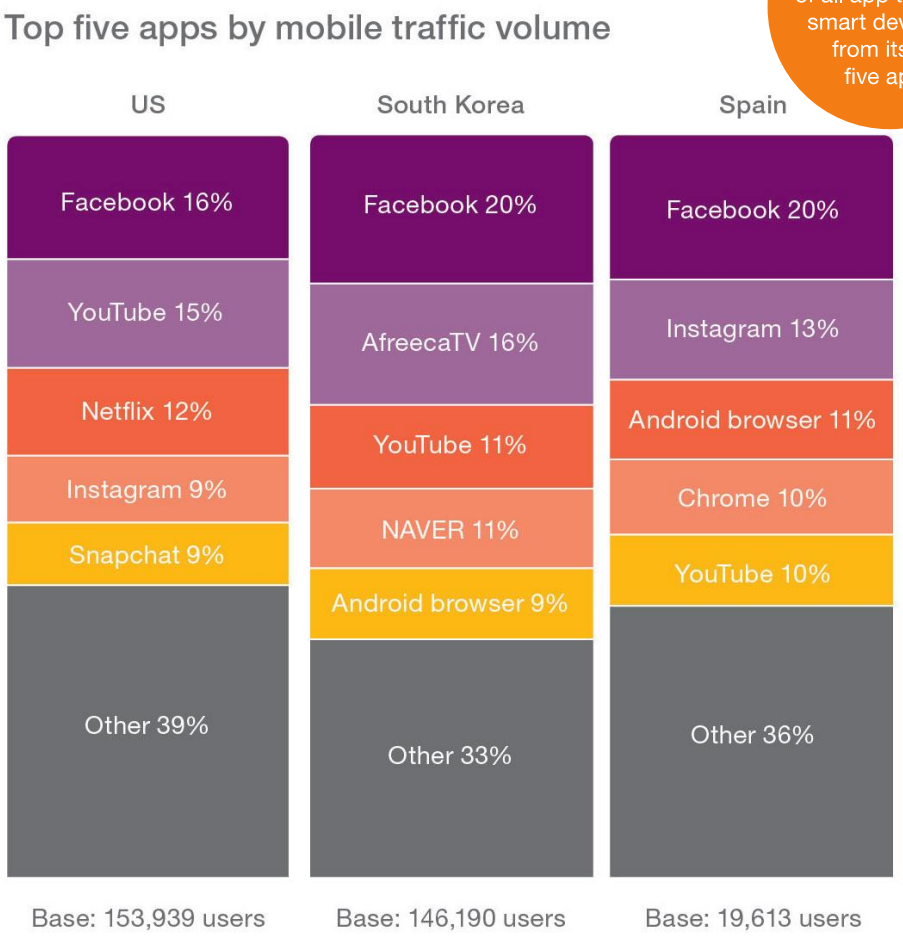
- **In many mobile networks today, 40–60 percent of video traffic is from YouTube.**
- Mobile video in general is forecast to grow by around 45 percent annually through to 2020, when it will account for around 55 percent of all mobile data traffic.
- Consumers increasingly prefer app-based mobile use over web browsing.
- **Music streaming is gaining popularity**, but functions such as content caching and offline playlists limit the impact on traffic growth. However, audio traffic is still expected to increase in line with total mobile traffic growth



APP TRAFFIC IS DOMINATED BY VIDEO STREAMING AND SOCIAL NETWORKING

In each country, two-thirds of all app traffic on smart devices is from its top five apps

- Globally, the top five apps generate a large portion of all mobile traffic.
- In the US, South Korea and Spain. each nation's **list of top five apps included social networking and video streaming,** but also had its own characteristics.
- US list included Netflix, while South Korea's was notable for peer-to-peer TV app AfreecaTV and home-grown search portal NAVER.
- All three lists reflect a global trend where the top five apps accounted for around two-thirds of all app traffic

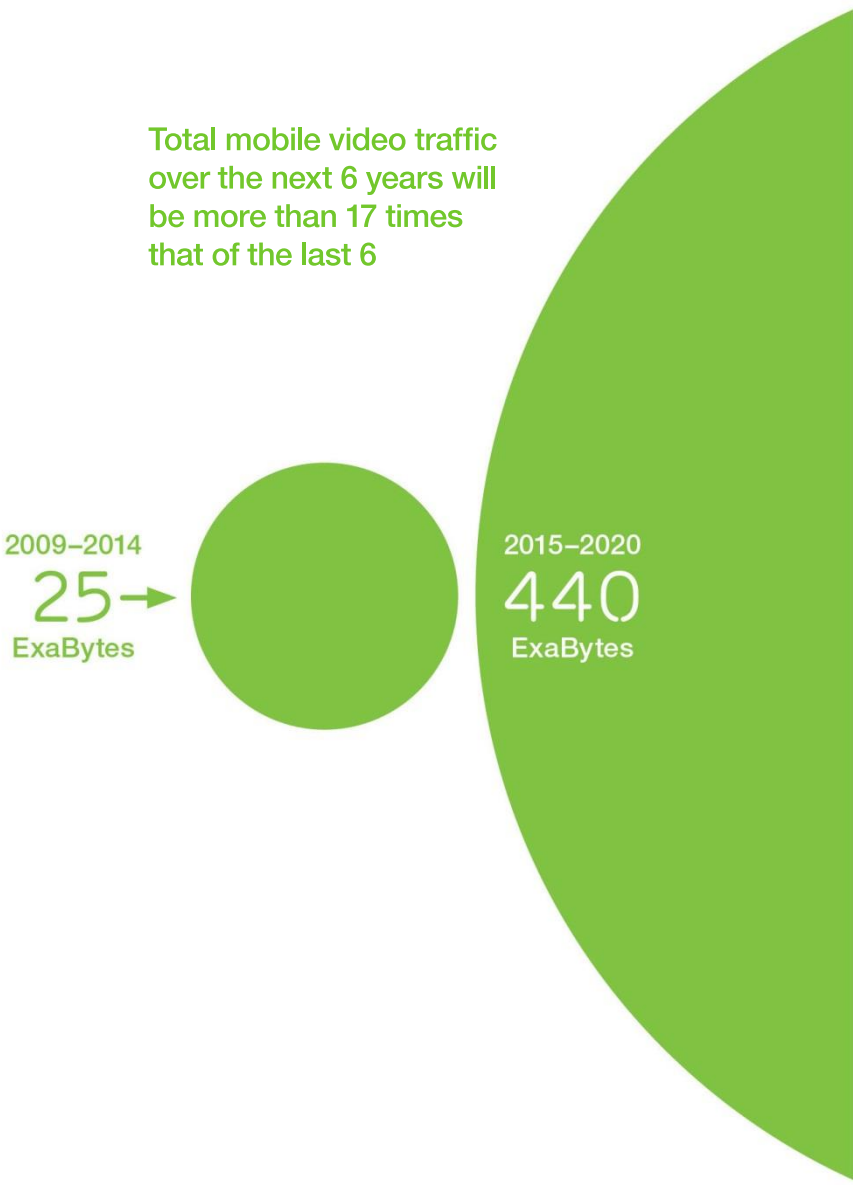


Source: Ericsson analysis based on Mobidia data, December 2014

MOBILE VIDEO DRIVERS

Total mobile video traffic over the next 6 years will be more than 17 times that of the last 6

- **The number of video-capable devices is a prominent factor in the rapid growth of video.**
- **Devices are evolving, with larger screens and higher display resolutions**
- Video is increasingly becoming part of other online content including news, advertisements and social media.
- **Video streaming growth is primarily driven by over-the-top providers like YouTube and Netflix.**
- User behavior is changing, resulting in video being consumed in larger quantities on all types of devices
- Continued HSPA and LTE deployments enable faster networks and therefore improved video app coverage.

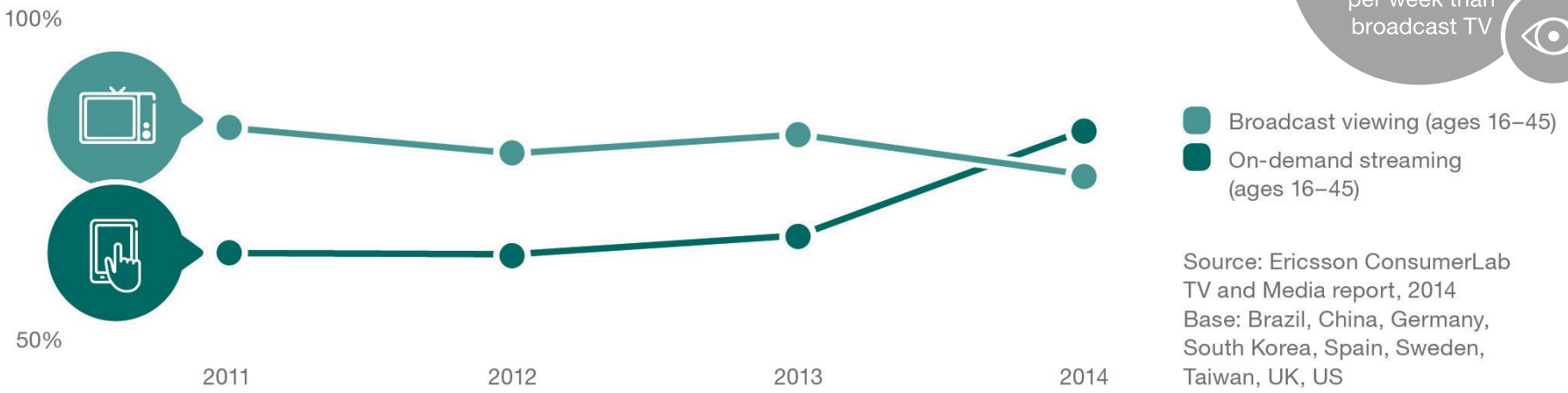


BEHAVIORAL CHANGE IN VIEWING HABITS

80% of those aged 16–45 stream video several times a week

In 2015, more people will watch streamed on demand video at least twice per week than broadcast TV

Percentage of people watching TV on a more than weekly basis

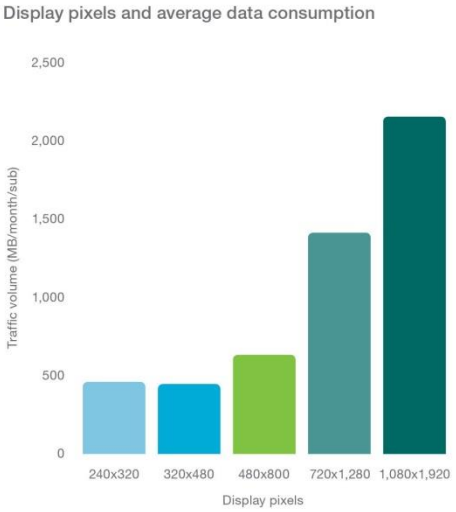


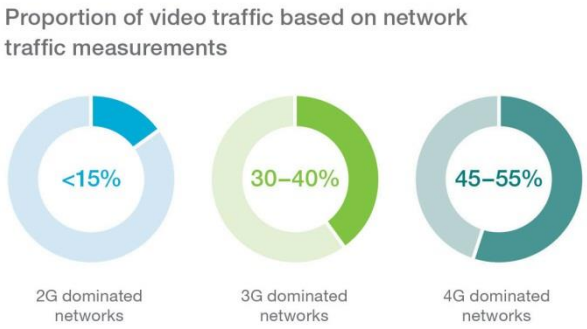
Source: Ericsson ConsumerLab TV and Media report, 2014
Base: Brazil, China, Germany, South Korea, Spain, Sweden, Taiwan, UK, US

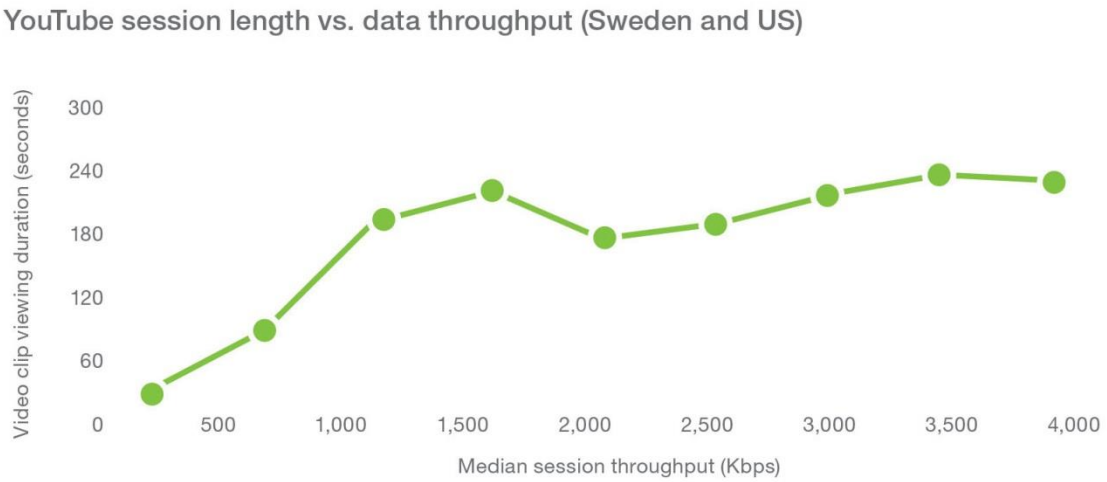
- **Today, video/TV viewers are shifting towards easy-to-use, on-demand services that offer cross-platform access to content**
- Having studied nine key markets around the world, Ericsson ConsumerLab has identified a shift in consumer viewing behavior in those markets: this year for the first time more people will watch streamed on demand video than broadcast TV at least twice per week

MOBILE VIDEO FACTORS

- Increasing **screen size and resolution,** as well as the availability of high-speed networks fuel the demand for mobile video
- How long a person will watch a streamed video on a smart device, including its full length, production quality, the viewer's expectations and network performance:.
- An Ericsson SmartphoneLab study of YouTube usage on Android devices calculated the relationship between **network throughput and the length of viewing sessions** in Sweden and the US. The study indicates that there is a positive correlation between the two factors.

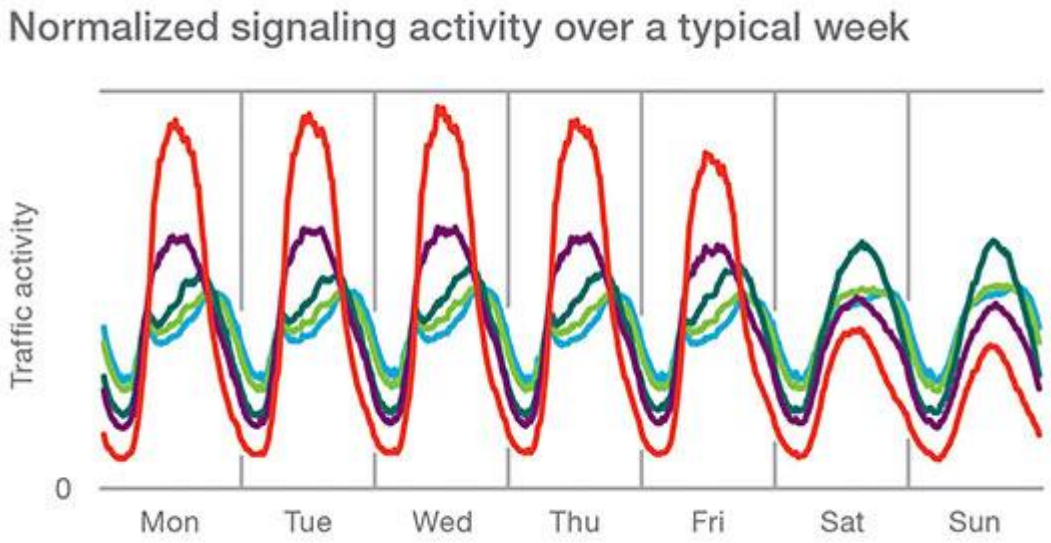


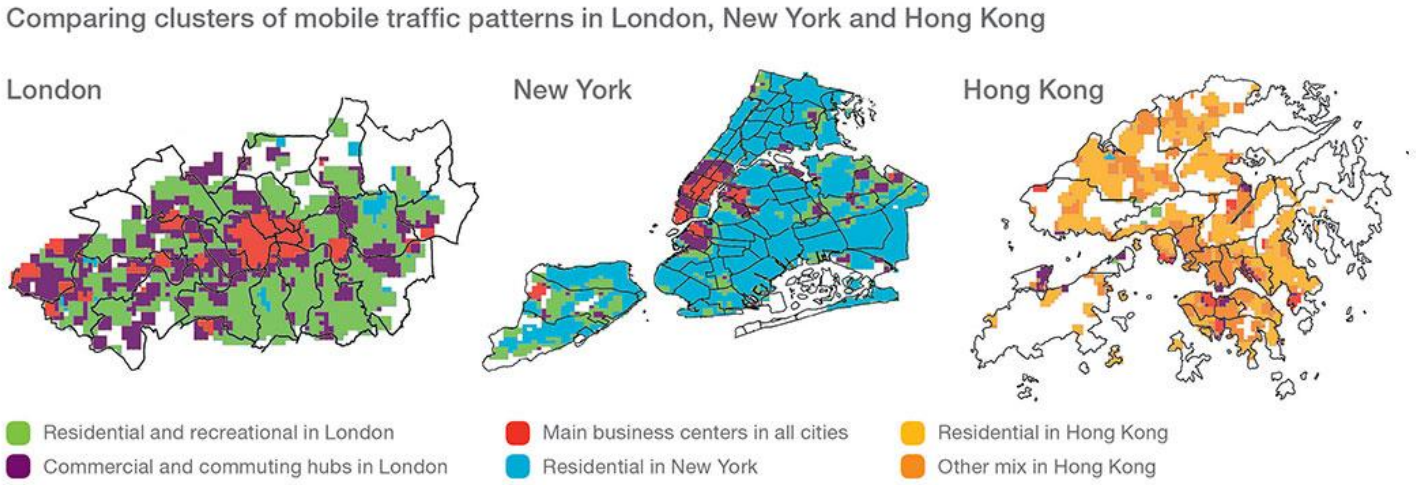




Source: Ericsson SmartphoneLab
Base: 351 users over 4,659 sessions

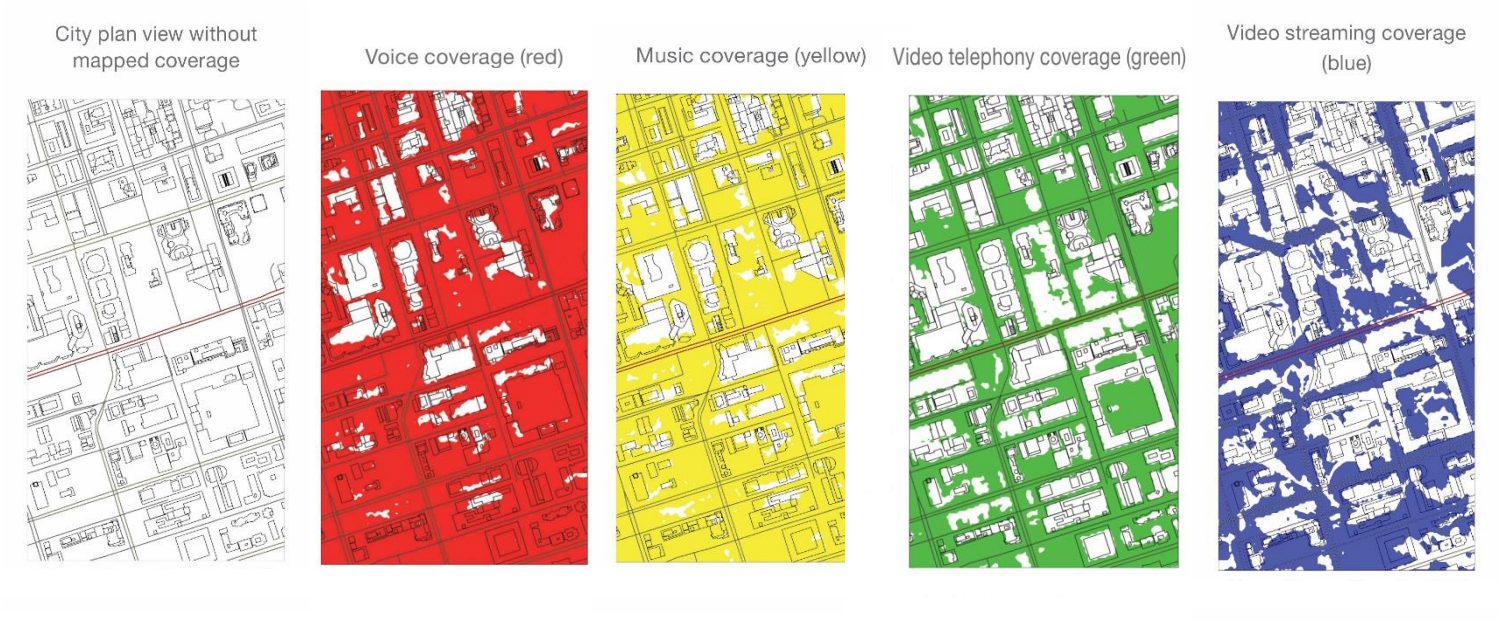
THE SIGNATURES OF CITY LIFE





APP COVERAGE

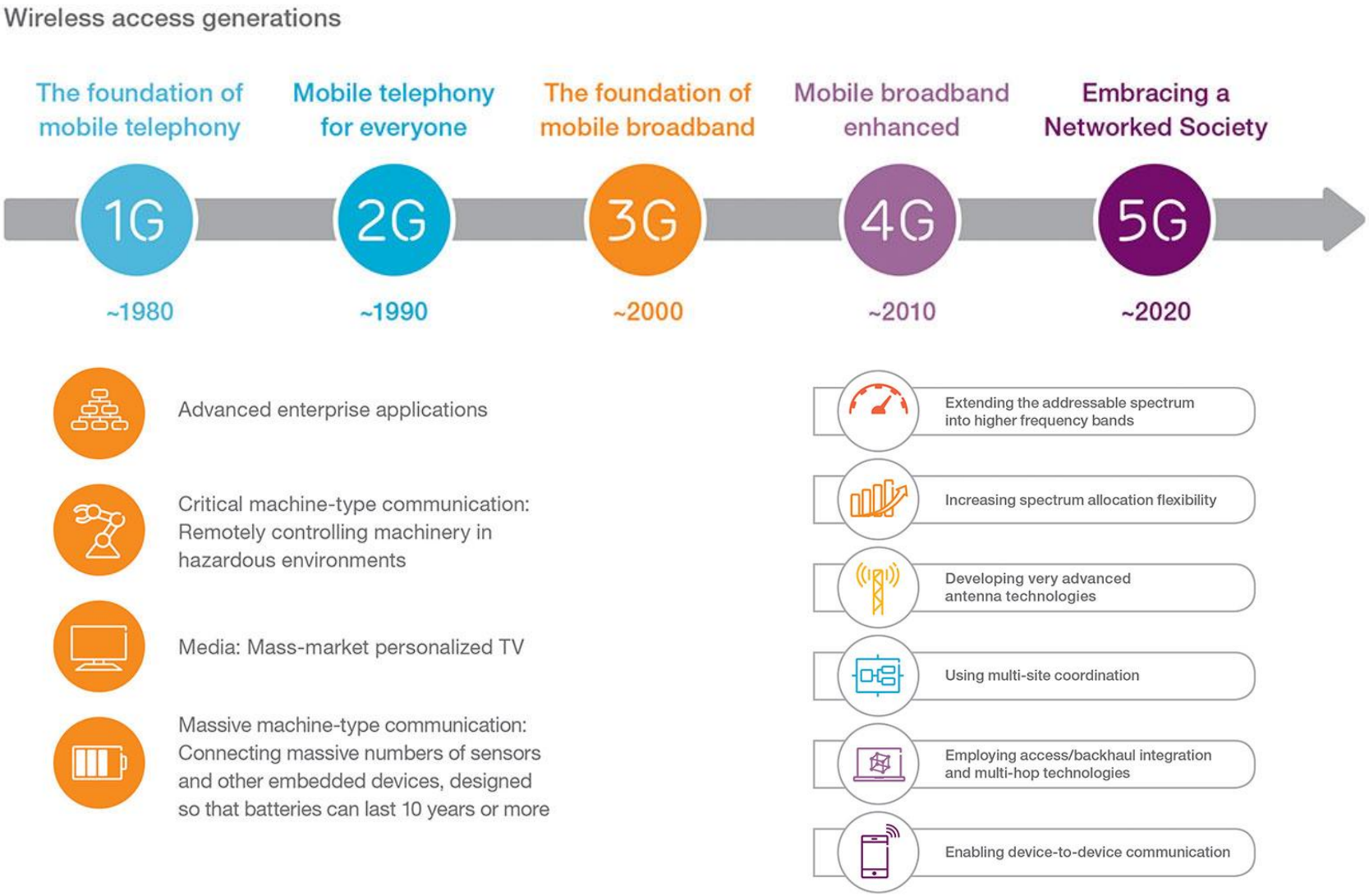
“Every app has its own coverage map”



- It’s an app centric world
- User want reliable access for their apps wherever they go in the network
- App coverage requires a true end-to-end approach to design, build and run mobile networks

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

5G – EMBRACING A NETWORKED SOCIETY



KEY HIGHLIGHTS

In 2020…

9.5 billion mobile subscriptions

8.4 billion MBB subscriptions

>2X smartphone subscriptions

8X mobile data traffic – driven by video

Population coverage
- 90% WCDMA/HSPA
> 70% LTE

“Already today, users expect fast and reliable mobile access, wherever they go. They want sufficient app coverage”



ERICSSON