

# Telecoms set to boost 5G amid reopenings, but pandemic uncertainties loom large

Article

**The news:** Major US telecoms are trying to rebound from a turbulent year of 5G adoption hijacked by the pandemic, **according to** CNBC.

After years of investment and starry-eyed claims, 2020 was **supposed** to mark “**the year of 5G.**” That **didn’t** happen as **advertised**. Instead, **airports, sports stadiums, music venues,** and other densely packed large areas most immediately expected to **benefit** from 5G sat empty and unused as Covid-19 ran rampant.

During the height of the pandemic, consumer appetite for expanded 5G networks paled in comparison to the sudden surge in high-speed broadband, which is best suited to remote work. This led AT&T EVP of Partnerships & 5G Ecosystem Development **David Christopher** to tell CNBC that the company “almost lost [the] year.”

Now, though, as restrictions ease and large spaces fill back up, providers are looking to ramp up advertising and sell users on new 5G use cases. “People are excited to get out of their homes and experience 5G in the wild,” Christopher said. “We will dramatize use cases that matter to customers.”

**How we got here:** AT&T and Verizon have **ramped up their marketing efforts and promotional offerings** in recent months in an attempt to lock in subscribers and keep them from switching over to **T-Mobile**.

- Thanks in large part to a glut of mid-band spectrum that T-Mobile **acquired** when it merged with Sprint, it has **the nation’s largest 5G network**, featuring the best 5G download speeds and coverage area of the three largest telecoms, **according to OpenSignal**.
- This spectrum advantage has allowed T-Mobile to **siphon** subscribers and roll out new features while AT&T and Verizon are busy **spending** billions to play catch-up.
- For example, earlier this year T-Mobile **started** offering **Magenta MAX**, a truly unlimited wireless plan without data throttling, which forced AT&T to **release** its own competing plan several months later.

**The problem:** Despite the billions telecoms have spent in infrastructure investment and several years of dogged advertising, most US consumers are still unaware of the benefits of 5G.

- **20%** of respondents in a December J.D. Power **survey** said they still don’t know anything about 5G. Only **10%** say they know more than the average person.
- Just **5%** of wireless subscribers in **another** J.D. Power survey said they would pay more for 5G service.

- Despite a sharp **uptick** in the amount of 5G-enabled phones, many of 5G's most highly anticipated features are still **inaccessible** to most consumers.

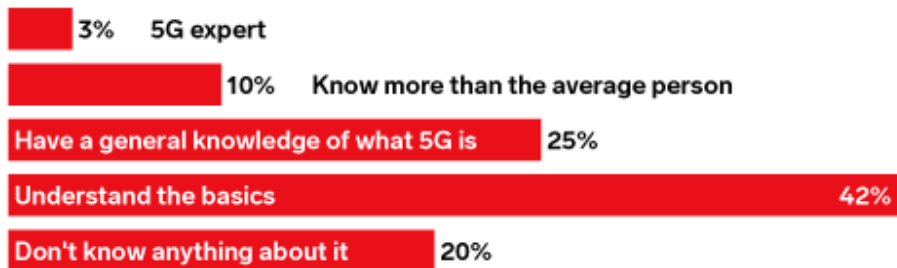
**Why this could backfire:** Uncertainty surrounding new Covid-19 variants and the looming specter of new lockdown orders threaten to complicate near-term, large-scale 5G rollouts, especially in areas with large crowds. These uncertainties could favor T-Mobile, whose hefty mid-band spectrum holdings reduce the investment necessary to expand its networks.

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## How Familiar Are US Adults with 5G Technology?

*% of respondents, Dec 2020*

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*Note: ages 18+*

*Source: J.D. Power as cited in press release, Dec 20, 2020*

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