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TMT Insight
December 21, 2020

Consumers Unclear on Value of 5G, but They Want it Anyway Stage is Set for Carriers to Launch Battle for Hearts and Minds

- *More than one-third (36%) of wireless customers say they do not know which carrier has the best 5G service and 20% say they do not know anything about 5G.*
- *Roughly one-quarter (26%) of wireless customers say they “definitely will” or “probably will” get a new 5G phone during the holidays.*
- *More than half (53%) of wireless customers say they will not pay anything extra to get 5G service.*

After several years of hyping the 5G future, wireless carriers are finally starting to roll out 5G wireless service in select cities and handset manufacturers have begun to introduce devices capable of operating on these new frequencies ahead of the holiday shopping season. And, while some consumers are still unclear what 5G really is and most are wary about paying more for it, many have already put 5G at the top of their holiday wish lists.

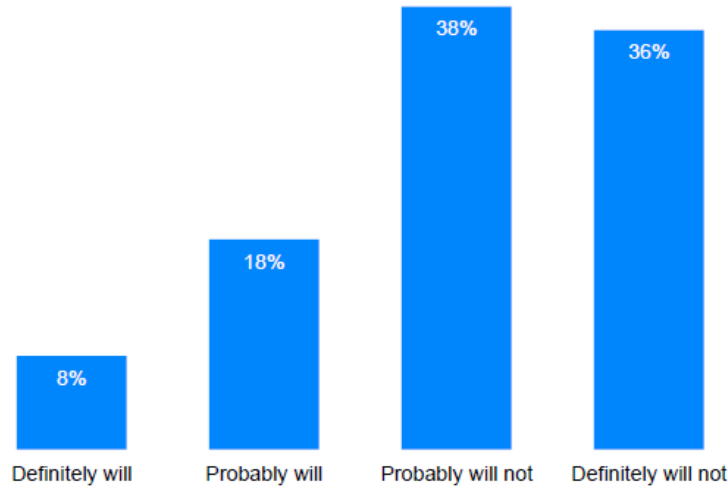
To get a deeper understanding of customer awareness for and interest in 5G wireless offerings, J.D. Power has conducted a pulse survey of 2,620 U.S. adults, delving into their purchase plans, brand perceptions and current wireless usage experiences.

Following are the key findings.

5G Under the Tree, Despite Widespread Consumer Confusion

According to the latest J.D. Power data, a total of 26% of consumers say they “probably will” (18%) or “definitely will” get a new 5G phone during the holidays this year.

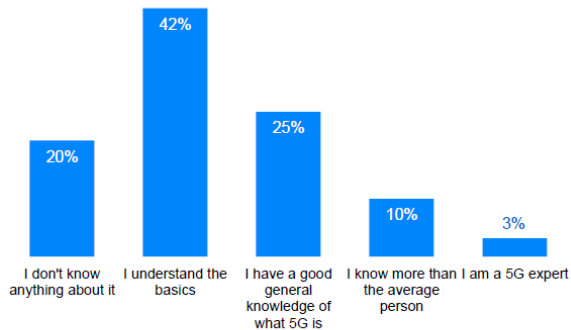
Do you expect to get a new 5G phone during the holidays?



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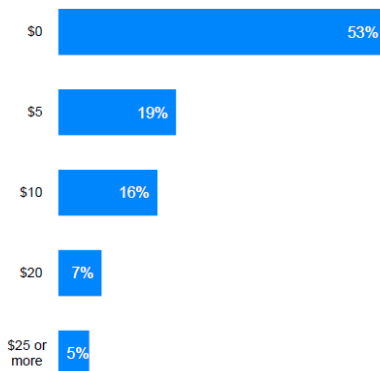
In many ways, the current consumer enthusiasm for 5G is building in spite of the best efforts of wireless carriers. After years of touting the promise of lightning fast download speeds and teasing all manner of 5G precursors, including [4G LTE being called "5Ge,"](#) 5G-ready phones without corresponding networks and the delays or [temporary abandonment of high-band,](#) millimeter wave (UWB) for residential mobility use by some carriers, wireless providers now face a marketplace in which many consumers really don't understand the value of what they're getting in a 5G offering.

How familiar are you with 5G technology?



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How much more per month are you willing to pay for 5G service?



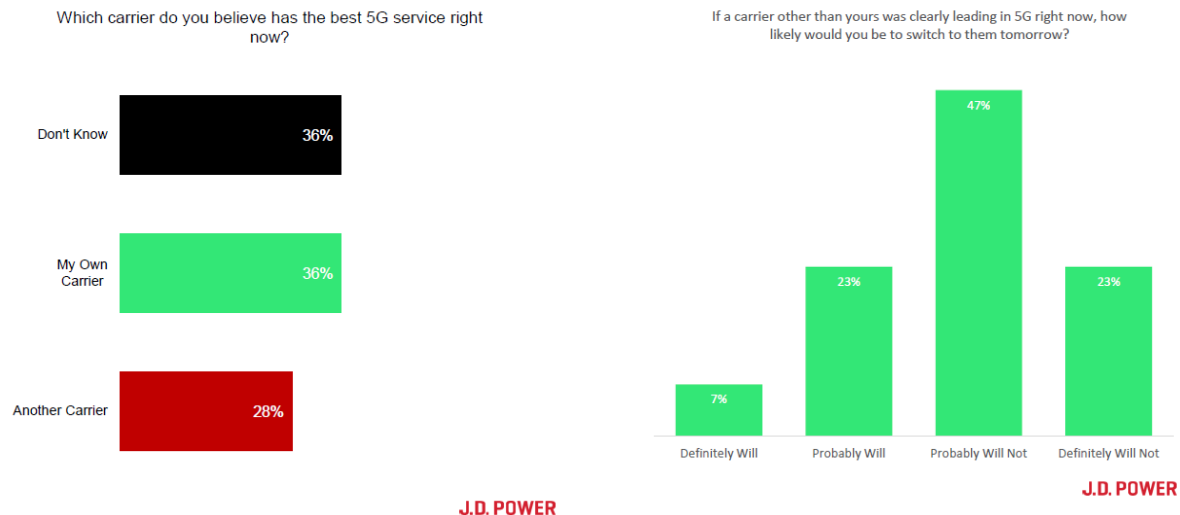
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One-in-five (20%) customers still say they do not know anything about 5G technology; more than one-fourth (26%) do not know whether or not their current mobile phone is 5G-compatible; and the majority (53%) say they will not pay anything extra to get 5G service.

5G Network Leadership Mantle is Up for Grabs

The upside of the widespread consumer confusion over 5G is that the leadership position in the space is still very much up for grabs. More than one-third (36%) of wireless customers say they do not know which carrier has the best 5G service.

While that could create opportunities, carriers are going to need to do a better job conveying the value of 5G. Indeed, each of the major carriers have claimed some manner of “first” or “best” 5G network; two were told by the National Advertising Division (NAD) of the Better Business Bureau (BBB) to [discontinue claims with questionable veracity](#), such as having the “most powerful 5G experience.” As things stand now, just 7% of wireless customers say they would switch carriers based on perceived 5G supremacy.



Methodology

This J.D. Power TMT Insight is based a survey of 2,620 U.S. adults from December 2-3, 2020.

Find Out More

This J.D. Power TMT Insight was authored by Ian Greenblatt, managing director of TMT Intelligence at J.D. Power. Please contact us at the numbers below to connect with Mr. Greenblatt, or to learn more about the underlying research.

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