

If they build 5G, the money will come ... right?

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Carriers are plotting their strategies and densifying their networks as they prepare for the highly anticipated arrival of 5G. But how they'll actually make money from next-generation technologies and services is about as clear as [the air in New Delhi](#).

T-Mobile late last week vowed to deploy 5G service nationwide [by 2020](#), saying it will leverage its newfound cache of 600 MHz spectrum to deliver next-generation services. Verizon is testing fixed 5G service in 11 markets around the country, with the aim of significantly increasing its internet footprint beyond what it currently services with its wired Fios service. AT&T launched fixed wireless 5G tests earlier this year in Austin, Texas, and is expanding those tests to at least three more cities by the end of the year.

Indeed, fixed wireless is emerging as something of a proving ground for 5G business cases, enabling wireless carriers, cable companies and others to perhaps link the “last mile” between businesses or residences and the core of the network without using fiber. But even those scenarios aren't all that compelling, Dean Bublely of Disruptive Analysis wrote recently.

“Fixed-wireless broadband will be used in certain places—but despite the hype, obviously won't displace fiber or cable at scale,” Bublely [wrote on Medium](#). “Apart from anything else, 5G small cells will need fiber backhaul—and the other 100 or 1,000 fibers in the duct will be installed for other broadband users.”

Delivering video has long been cited as a primary use case for 5G, and for good reason. One Verizon executive told Light Reading last week that the technology could support [10 4K streaming TVs](#) on the system, delivering roughly 10 times the amount of data that can be transmitted via 4G. Service would be provided by a 5G small cell within a quarter of a mile, potentially supporting users in multiple apartments or adjacent homes, primarily in urban areas.

Demand will clearly grow for such offerings as consumers to cut the cord for pricey cable services in favor of OTT offerings and video consumption across devices continues to soar. But cost-conscious viewers aren't likely to pay a lot for OTT offerings, and there's little evidence advertising revenues can support those services.

“Consumer demand for mobile streaming will grow, but our ability to meet the demand will depend on proving monetization of mobile engagement,” David Lynn, president and CEO of Viacom International Media Networks, said during a keynote speech last week, Mobile World Live [reported](#).

Of course, the promise of 5G extends far beyond simple use cases like transmitting high-quality video to multiple devices at unprecedented speeds. 5G features such as lightning-fast connects, low latency and high capacity can enable everything from autonomous cars to smart cities to remote surgery.

Such offerings may begin to emerge in 2020 as truly mobile 5G networks come online, but full 5G buildouts will require many more years—and vast sums of money—to be completed. Meanwhile, some carriers seem to be moving forward with faith that if they build 5G, the business models will come.

“Do we have a business model for 5G?” Deutsche Telekom CTO Bruno Jacobfeuerborn asked at Huawei’s Global Mobile Broadband Forum in London last week, according to a report from Inside the Mobile Network. “No, but we will have one.” — Colin

| [@colin_gibbs](#)