

Ericsson

ABM on a mission: How Ericsson accelerated adoption of 5G in the LATAM region

Summary

Ericsson, the Swedish multinational networking and telecommunications company, has been a major contributor to the development of the telecommunications industry and is one of the leaders in 5G.

This ABM campaign aimed to accelerate understanding and adoption of 5G amongst Brazilian telco operators, Claro, TIM and Vivo, when all three were fully focused on monetizing investments in 4G. In addition, the campaign sought to help educate the Government to hold a 'spectrum auction' that was not focused on revenue generation.

The campaign, targeting these three target accounts, was key to generating awareness, driving adoption and allowing Ericsson to identify, and partner with, both customers and Government Ministers (including the President of Brazil) to educate and remove barriers to accelerated 5G adoption in the LATAM region.

This program resulted in a spectrum auction that became regarded as one of the most important auctions in the world. The lack of focus on revenue generation by the Brazilian Government paved the way for a predicted marketing-influenced pipeline of billions of dollars per year.

In 2021, the main challenges for Ericsson were:

- 5G auctions in Europe and the US were very expensive for operators. They needed to pay a large fee to have access to the spectrum, and there was a concern that the Brazilian auction could be costly too. The more operators pay the Government for spectrum, the less CapEx they will dedicate to building infrastructure (infrastructure is Ericsson's business)
- Operators in Europe were taking a reactive approach toward the 5G rollout due to the lack of use cases and a belief that the return on 5G was lower than the cost of capital. Since LATAM is very influenced by Europe (Vivo is controlled by Spanish Telefonica and TIM is controlled by Telecom Italia), this was a significant threat to Ericsson.
- Aggressive competition: Ericsson had been the market leader in RAN in Brazil until 4G, and there was a belief that traditional competitors, Huawei and Nokia, would attack its market share in both 5G RAN and 5G Core.

Based on these challenges, Ericsson decided on a 1:few ABM campaign for two key audiences:

- Primary audience: Target accounts = Claro, TIM and Vivo. Goal to position 5G as a key technology enabled for customer success, while at the same time introducing 'first mover' benefits.
- Secondary audience: Governments in the LATAM region, supporting the pathway to a positive, non-revenue generating, 5G spectrum auction in Brazil.

Here is how the 1:few program was executed:

ABM Pillar 1: Success for Ericsson in Operator RFP decision making process

Ericsson needed to demonstrate the potential of 5G, using its infrastructure, to both the region and their customers.

ABM Pillar 2: Education and awareness building around 5G monetization opportunities

In order to support operators, remove barriers for the accelerated adoption of 5G and, ultimately, influence the CapEx allocations, Ericsson launched a 5G monetization campaign to Claro, Vivo and TIM, including both digital and face-to-face components.

ABM Pillar 3: Proofs of concept

Stepped up trials and Proofs of Concept with Ericsson accounts' top customers because of the 5G auction and RFPs.

ABM Pillar 4: Activities to engage and influence Government

In order to make an impact, and reflect the importance of the campaign, Ericsson engaged senior Government officials, including the President of Brazil, Jair Bolsonaro, as well as the Minister of Communications, Fabio Faria, to carry out a series of high profile educational events and activities.

Business Results & Future Plans

In November 2021, the 5G auction went ahead with no revenue-generating agenda, achieving the goals of this ABM program. This was a huge result and meant that operators in Brazil will now be able to invest more in rolling out networks — benefiting not only the technology industry, but society as a whole. This outcome will also fuel strong business results for Ericsson in the short and medium term.

Claro, Vivo and TIM were the main players in the spectrum.

The spectrum auction was the largest in the world to date and recognized as one of the most important. This has a direct result on revenue as it stimulates operators to invest more in 5G equipment.