

# Our 5G future is incubating in China

LIAM BRENNAN, GLOBAL DIRECTOR OF INNOVATION PROGRAMMES, MEDIACOM 12 MAR 2019

Looking past the ‘bigger and better’ headlines of Mobile World Congress, the big story was the new 5G enabled handsets, says Liam Brennan

[Mobile World Congress](#) produced the many of the headlines we’ve come to expect – more new mobiles, larger screens with higher definition, better cameras, faster CPUs, and increasingly available to a wider global consumer base, at a lower cost.

Looking past the ‘bigger and better’ headlines of the conference, and the flashy gimmicks hardware manufacturers use to encourage upgrades from still useable technology (foldable phones are impressive but won’t change the world), the big story from the conference was the new 5G enabled handsets.

The connectivity benefits of 5G will give consumers access to more information faster. Every time we've moved up a 'G', it's created a paradigm shift: 1G – Voice, 2G – Text, 3G – Data, 4G – Streaming. 5G will inevitably do the same.

Monthly traffic per 5G subscriber is set to grow from 11.7GB in 2019 to 84.4GB per month in 2028 (Verizon 2019), facilitating a high-definition video-first experience. Through seamless connectivity, increased computing power, and access to rich data and analytics, 5G will open up the floodgates on new and innovative ways to reach, engage and convert consumers.

In time 5G will also create a new generation of digital behemoths. Companies like Airbnb, Uber, Netflix and Spotify would not have been possible without 4G and 5G has the potential to create new giants.

The best place to spot these mass market apps early is China. While 5G won't be publicly available until at least 2020, the Chinese have a head start on the rest of the world. The Chinese government has been pushing the development of its 5G industry locally, favouring its own companies such as Huawei and ZTE, and internationally as a primary seller of 5G infrastructure. China is expected to be the world's [largest 5G market](#) by 2022.

This is not just a matter of infrastructure rollout but also handset penetration. Chinese mobile giants Huawei, Xiaomi and Oppo all launched reasonably priced 5G handsets at this year's [Mobile World Congress](#).

They have features designed to leverage the benefits of 5G; larger/high def screens to watching content (Huawei Mate X); integration with wider IoT ecosystems (Xiaomi and Ikea's partnership); and a furthering of the focus on the camera lens (front and back) as a navigation input as well as a utility (Oppo' 10x lossless zoom, higher res front facing camera).

China's recent approach to tech-led innovation has been to reinvent, not to rebuild. Take the era of the 4G company for example. Google and Facebook pivot their 3G/Desktop

product to take advantage of smartphone screens, pivoted to video, and the acquisition of computers to evolve their core product. In China, however, 4G saw new platforms created, many of which have had a huge impact outside of its borders:

**Next Gen M-commerce:** TenCent's WeChat is a leading solution for mobile commerce and payments that the West has yet to emulate. Alibaba's ['New Retail' push goes beyond omnichannel retailing](#) to digitise the offline experience through the use of (mobile) tech while 'Everything App' Meituan Dianping takes [mobile ordering](#) to a whole new level.

**Video first social media:** Facebook and Instagram may be increasingly mobile video first but TikTok/Douyin and Kuaishou were social networks built for mobile with video posting and sharing and their core. Both are now looking to grow outside China – with more than 300m of TikTok users outside the Chinese mainland. Xiaohongshu, a commerce-focused social app, was creating shoppable social video content well before Instagram.

**Next Gen Media Ecosystem:** Whilst many will be familiar with TenCent and Alibaba, who have market dominating '360' display, video, data, eCommerce, and payment ecosystems, few might be more familiar the hardware-led integrations of Xiaomi that TenCent and Alibaba are now beginning to replicate with Smart Home devices. In the West – only Amazon compares in terms of rollout and ecosystem maturity.

Of course, new hardware alone is not going to change user behaviour or produce the 'next big thing', but it can be one of the primary catalysts for change. The perfect storm of large touchscreens and hi-res cameras mixed with fast and uncapped 4G connections were behind most of the killer apps over the last decade.

In 2020, 5G will be Chinese led, not western-led. The ability to hybridise software and hardware, leverage new tech opportunities and scale at a dramatic rate, and to better understand consumers both in terms of data collection and behaviour analysis, is done much better in China than in other parts of the world. This puts them squarely in the driving seat for developing that first killer 5G app.

We may not see what that looks like for some time, but already Huawei is rolling out

experimental 5G-enabled tech in Shanghai's [Hongqiao train station](#) for Autumn 2019 – the first stage in a national rollout. 5G will be a reality in China even before next year's MWC.

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OPINION