

5G-Advanced Consumer Monetization—China Mobile Shanghai goes on the Offensive and Defensive

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China Mobile Shanghai takes multiple experience-based tariffs to market, with an end-to-end strategy of marketing, network, and devices

Summary

Segmentation is the new base line for a 5G-Advanced (5G-A) tariff strategy. 5G operators need to change their volume-based pricing mindset and start creating value-based pricing for consumers based on selling better network experiences, such as less lagging for gamers or video conferences, faster uplink speed for social media influencers or improved video streaming for concertgoers. In short, 5G-A packages include speed tiers and data priority for subscribers. China Mobile Shanghai is leading the world on 5G-A segmentation for consumers. The strategy includes more than one tariff option, including on-demand options, enticing new revenue from users upselling to a new package, and locking-in premium customers. Therein lies the key to unlocking 5G-A monetization: operators require multiple value-oriented tariffs for different customer segments, which will grow the bottom line, but also enable customer retention of high ARPU users.

Offensive and defensive: Both strategies need to be in play

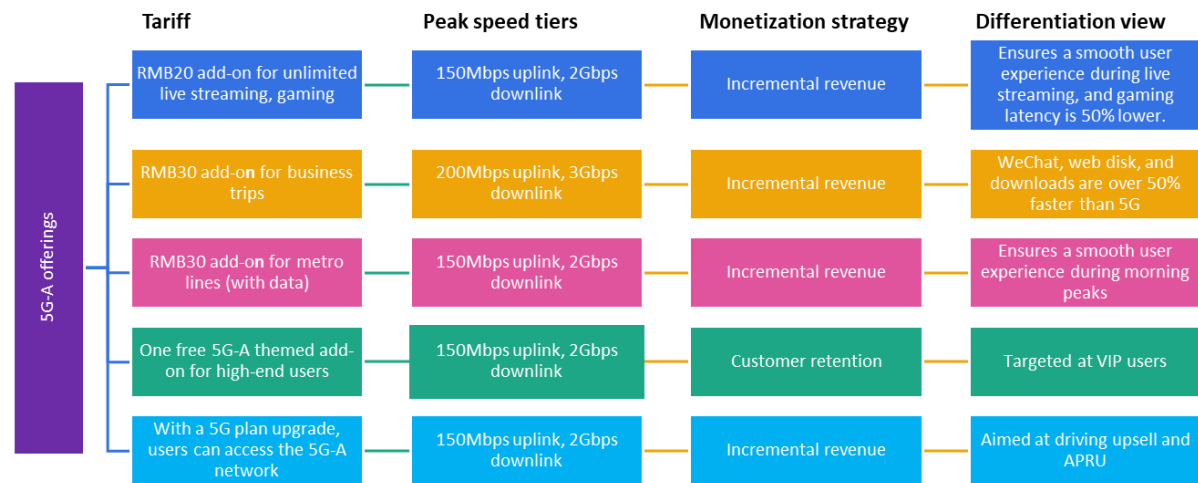
China Mobile Shanghai launched the world's first 5G-A tariffs on June 25, 2024, aimed at live streamers, gamers, and business travelers. For users of GoTone, China Mobile's main brand, 5G-A tariffs are add-ons to the main 5G plan, and they differentiate around targeted experiences, speed tiers and applications, including video apps and cloud-gaming apps. For example, legacy 5G peak upload and download speeds are 500Mbps and 1Gbps, respectively. However, 5G-A tariffs advertise peak speeds of 2 Gbit/s and 3 Gbit/s for downloads. Legacy 5G uplink speed is up to 100Mbps, compared with 5G-A uplink speed plans of 150Mbps and 200Mbps. GoTone users contribute more than 60% of revenue for China Mobile Shanghai. Keeping this high ARPU customer base “sticky” with new value-based offerings is a key part of China Mobile Shanghai's retention and upsell monetization strategy.

In September 2024, China Mobile Shanghai announced two new offerings. The first is the 5G-A Metro package, including 30 GB of dedicated data for usage "at the highest priority" at eight metro lines currently. The advertised peak speeds are 150Mbps upload and 2 Gbit/s download. Second, to offer more value to high-end users China Mobile Shanghai bundled one of the three themed (streaming, gaming, and business travel) 5G-A packages at no charge.

In November 2024, 5G-A's network service benefits of faster speed and lower latency were opened to 5G main plan users that upgrade their 5G plan. This upsell strategy targets mid-tier users. The notion is that the 5G-A users will enjoy faster speeds and increase usage on network. With more usage data, China Mobile Shanghai is then better equipped to push additional value to users.

Figure 1 summarizes the multi-prong tariffs and shows that 5G-A monetization is a mix of incremental revenue generation—an offensive strategy—and churn retention as a defensive strategy. Telcos with premium user bases (for example, market incumbents) should embrace both strategies.

Figure 1: China Mobile Shanghai takes a multi-faceted 5G-A monetization approach



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In the beginning, with 5G-A network coverage still limited, 5G-A scenario-based tariffs are well-suited in areas with high-capacity demand, such as business centers, stadiums, transport hubs, etc. For streamers, 5G-A's smoother network experience is also particularly noticeable during high-capacity periods, such as morning peaks and at concerts, thanks to high priority for 5G-A users in hotspot zones. In 2025, China Mobile Shanghai will provide new standalone 5G-A plans in line with the network coverage extending.

In addition to increasing network coverage, 5G-A device availability is a high-ranking priority to meet monetization goals. In China, most of the latest smartphones support 5G-A, such as Xiaomi 14 Ultra, OPPO Find X7, VIVO Fold 3, and so on. According to Chinese operators, all smartphones with Qualcomm Snapdragon 8 Gen 3 or MediaTek Dimensity 9300 chipsets can be upgraded to 5G-A through over-the-air software updates. Additionally, over 40 types of devices (offered by China Mobile Shanghai) display the 5G-A icon (in the top left corner), which is key to raising consumer awareness of the service.

Marketing campaigns need to be widespread and well entrenched

AI-empowered direct marketing campaigns and general widespread marketing activities are essential ingredients to China Mobile Shanghai's initial 5G-A successes.

China Mobile Shanghai leverages AI and big data analytics to determine the precise ID of users, those that frequent metros often with high usage or social media influencers that rely on good uplink, for example. It then pushes targeted marketing campaigns in near real-time based on user hotspot location-based statistics or popular app usage habits.

The firm backs all of this up with extensive marketing to improve awareness of what 5G-A means for consumers. These include marketing by leading influencers on social media, placing ads in popular and

relevant places (e.g., in the metro), and high-end user telemarketing. Event-marketing at the Shanghai Marathon also promoted contiguous 5G-A live streaming.

We have long advocated that introducing new tariffs to market needs to be supported by high visibility—too often marketing has been too little, not AI precision-based, and not targeted enough. Tariff marketing needs also to be kept simple so that consumers understand "What's new" with 5G-A that they couldn't get with 5G. On-demand tariffs, for instance, are not perverse today, and while the concept is simple, pay X for Y hours for better uplink at a crowded event, these have to be made widely available for purchase (SMS, in-store WeChat, etc), be easy to activate, be clear as to exactly what the network guarantee is and its duration, and then the telco needs to deliver on its guarantee.

5G-A making "real financial" gains for China Mobile Shanghai

In September 2024, China Mobile's 5G-A service launched at scale. Prior to that, the service was available for "friendly users" only. By November 2024, the 5G-A service had amassed over 100,000+ users, consisting of 30,000+ that had purchased a themed package or the Metro package. The other users consist of those that upsold their main 5G plan to access the 5G-A network. China Mobile Shanghai is targeting more than 300,000 5G-A users by January 2025.

As for success metrics, ARPU increases 11% after a 5G-A subscription. China Mobile's average handset data traffic usages per user per month (DOU) has also improved by 20%. China Mobile Shanghai calls these "real financial benefits" and estimates that 1 million paying 5G-A users could mean more than \$25 million improvement in revenue, based on the current offerings in the market.

As an analyst, selling the China success story is challenging. This author acknowledges that China's sheer scale, fertile technology innovation, and being first with cutting edge networks make it difficult to emulate. But that is missing the point. We advocate that China Mobile Shanghai itself is trying and testing segmentation to see where the experience-based revenues are, and that is exactly what other Tier 1 telcos should do—understand the consumer segments that are worth targeting domestically, based on local likes, propensity to spend, and network experience.

But "more is more" should be the new experience-based tariff focus for Tier 1's in 2025. China Mobile Shanghai has multiple upsell and retention options that span many different segments and scenarios. While the network is still young, it is future proofing—getting ARPU growth requires a large number of alternative offers if each "experience offering" is targeting an individual niche.

China Mobile Shanghai rolled out its 5G-A tariff options in less than six months which is incredibly fast, supported by direct and widespread general marketing efforts. Telcos need to embrace 5G-A alongside AI and go on the offensive and defensive, embracing tailored tariffs, and different charging mechanisms that encourage new revenue growth and keep big spending customers happy.

Appendix

Further reading

[*Experience-based enhanced mobile data opportunities: New 5G and 5G-A monetization strategies*](#) (December 2024)

[*5G Tariff Evolution – The Next Revenue Segmentation Stage*](#) (November 2024)

[*2024 Digital Consumer Insights: 5G and Fixed Broadband*](#) (September 2024)

[*5G Consumer Broadband Pricing Report – 3Q24*](#) (November 2024)

[*2025 Trends to Watch: 5G-Advanced and New Network Monetization*](#) (October 2024)

[*Utilizing AI to Monetize Consumer 5G*](#) (September 2024)

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