



ERICSSON

The State of Enterprise Connectivity

Europe 2025

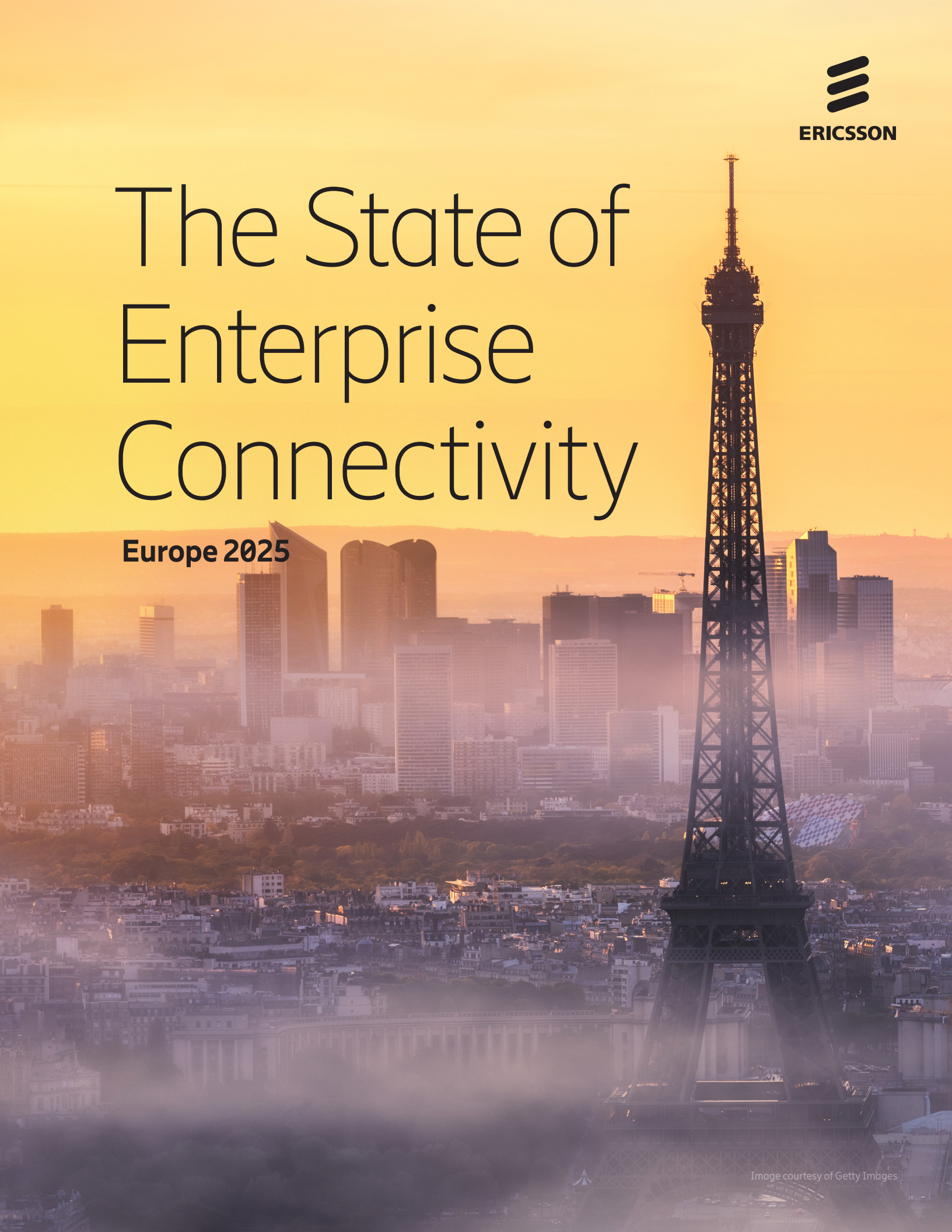


Image courtesy of Getty Images

Introduction

Methodology

The following report has been developed based on the findings of Censuswide research of over 2,500 respondents across the UK, France, Germany, The Netherlands, and Italy.

Vertical sectors researched include:

Agriculture	Healthcare
Arts and culture	HR
Automotive	IT and telecoms
Building management	Legal
Catering and leisure	Manufacturing and utilities
Construction	Maritime
Education	Public transportation
Finance	Retail
First responders	Supply chain and logistics
Government	Travel and transport

Respondents were business owners, C-level executives, or senior managers from businesses with over 250 employees; all were technology decision makers.

Now in its third year, Ericsson's State of Enterprise Connectivity report looks to examine how the connectivity landscape has changed over the last 12 months, how enterprises' attitudes towards cellular connectivity have evolved, and where the opportunities for growth exist.

The last year has reinforced the fact that reliable and resilient connectivity is essential for enterprises to be competitive and productive. Constantly evolving US trade policies, slow growth, and ongoing wider geopolitical conflicts have put pressure on enterprises like never before. The need to be able to adapt quickly, scale production up and down as needed, and support new working styles is now at the top of many business executives' agenda. To cope with this demand, enterprises are turning to next-generation technology like AI, industrial automation, and robotics to remain competitive. However, these technologies require greater bandwidth and low latency if they are to be effective – something that legacy connectivity infrastructure simply cannot support.

Compared to last year, it is reassuring that more business leaders now believe that 5G offers a pathway to capitalizing on this new technology. Many cite it as a key component to creating an advanced and successful economy, and fundamental to the success of technology like AI.

Political leaders have also identified cellular connectivity as critical to the successful adoption of other new technologies. The [EU's Gigabit Infrastructure Act](#) came into force on the 11th May 2024, which aims to make it faster, cheaper and simpler to roll out new networks, and promotes the use of environmentally efficient technologies like 5G. Similarly, the European Commission announced [€128 million worth of funding](#) to advance 5G connectivity across Europe. Meanwhile, the UK Government pledged to improve [investment into 5G](#) to help kickstart economic growth.

[The Draghi report](#) identified the EU as being behind on its 2030 Digital Decade targets for 5G deployment. It also noted Europe's per capita investment is markedly lower than other major economies. Similarly, the UK has an [estimated investment gap](#) between £20 billion to £37 billion and ranks 30th out of 39 countries for 5G availability.

As businesses continue to turn to cellular to enable their adoption of next-generation technology, it is crucial they work with providers who can support them long term and understand the unique challenges they might face. For example, an industrial enterprise looking to support the roll out of industrial IoT devices will have different requirements to a retailer installing interactive devices like smart mirrors.

To understand where these challenges exist, and where companies can benefit the most from 5G connectivity, Ericsson surveyed technology decision makers in the UK, Netherlands, France, Germany, and Italy to assess how they are using the technology to support their operations. Read on to discover where the greatest opportunities for growth exist, and the impact of 5G on competitiveness, efficiency and productivity.

Paul McHugh
Head of Sales EMEA
Ericsson Enterprise Wireless Solutions

Overview

Symbiotic relationship between next-generation technology and cellular connectivity



85%

Eighty-five percent of European businesses surveyed agreeing that AI helps improve their network performance by automating analysis and reducing the manual workload on their IT team.

Estimates put the potential productivity gains of AI at circa [3.5 percent over ten years](#) for the whole European economy. This is also likely to increase as companies like Meta, Google and OpenAI continue to release ever more powerful AI systems. These models promise to revolutionize every aspect of business operations, from sales and marketing to HR and customer service. For instance, AI can help analyze large data sets, offer personalized recommendations to customers, and is even changing how people search for information online. It is unsurprising therefore, that enterprises are focused on how they can successfully implement these tools in their business.

These benefits have also included connectivity, with 85 percent of European businesses surveyed agreeing that AI will help improve their network performance by automating analysis and reducing the manual workload on their IT team. One way it does this is by identifying a baseline for normal network traffic performance, and then automatically detecting disruptions or anomalies and formulating recommendations to fix it before it becomes a wider issue. It can also synthesize information from technical documents, providing answers to queries about the network, saving valuable time for IT teams who no longer need to wade through multiple documents.

This is not a one-way relationship though, for many businesses improved connectivity is needed if they are to support the demands of next-generation technology, with 88 percent surveyed agreeing a new era of connectivity is needed if they want to unlock business innovation with AI and IoT. At the same time, 87 percent also agree 5G connectivity is required if they want to accelerate R&D initiatives within their organizations, and 54 percent strongly agree that more secure and high performing networks would help position their nation as a world class industrial and technology leader.

These findings suggest a mutually beneficial relationship between 5G and AI as both technologies become more widespread. 5G enables the high-speed data transfers AI systems rely on, while AI enhances 5G network performance and security.



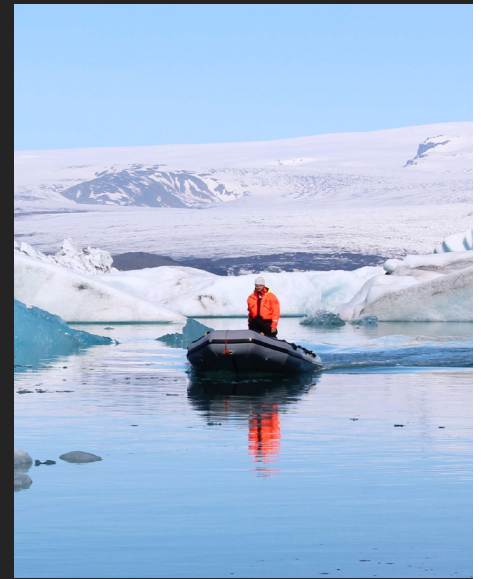
Concern around network performance is not just limited to AI. IoT and smart devices have become vital tools in businesses' sustainability initiatives as they can provide crucial insights and data around emissions. Fifty percent of businesses are already using IoT devices to address this need. However, to be effective this data needs to be transferred in real-time. This is why 80 percent of enterprises believe the presence of high performance, reliable connectivity is a key lever in helping tackle climate change, as it allows them to connect more IoT and smart devices and track progress more accurately.

However, they are not just beneficial to sustainability initiatives. For example, in retail, security systems and video surveillance can help with loss prevention. In transportation, public agencies can ensure effective and timely work with fleet management tools. In warehouses and/or manufacturing, predictive analytics equipment maintenance is essential for limiting production interruptions that can lead to missed deadlines or lost revenue. The benefits of 5G cellular tie almost directly into a company's bottom line. If any of these devices can no longer share data in real time, they will create significant obstacles to accomplishing the simplest of business goals.

Reassuringly, 60 percent of the enterprises surveyed are already using cellular networks to help reduce waste and make their facilities more efficient. Not only are they quick and

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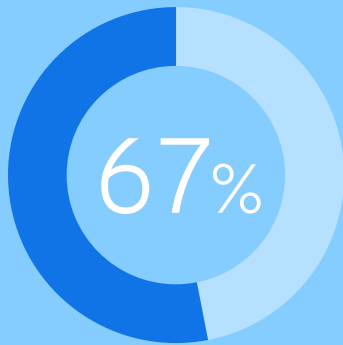


easy to set up, they also enable organizations to better secure IoT devices as well. By using cloud-based management tools, IT teams can send out critical software updates and can make new devices 'dark' to anyone not on the network, helping them to keep the infrastructure secure and reduce the risk of malicious actors gaining easy access.

Unlocking the benefits of these technologies is crucial if enterprises want to become more competitive. However, enterprises need connectivity infrastructure that can cope with

the demands now being placed on them. A comprehensive WWAN solution provides this. It allows day-one network connectivity, which means businesses can begin operations as soon as possible, and has the necessary bandwidth and low latency to ensure the smooth operation of next-generation technology. In addition, the routers used in a WWAN solution allow businesses to create a network that they can easily control and scale to meet business needs.

Poor coordination is preventing uptake from enterprises

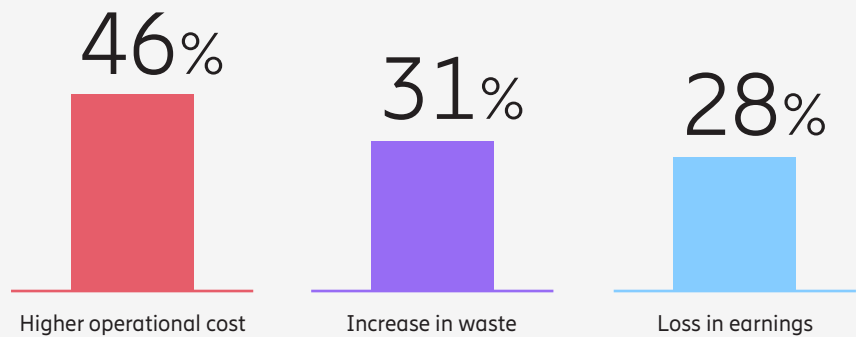


Sixty-seven percent of businesses believe the complex telecom centric solutions are hindering them from making further progress with 5G.

Unfortunately, despite efforts from the EU Commission, the EU Parliament, and the UK government, poor coordination around the development and rollout of 5G networks is preventing take-up. While in its latest report on OIR implementation, the European Commission made clear that the regulation should not be considered an obstacle to differentiated connectivity, the results of the survey reflect that negative perceptions have to be addressed. Thirty-five percent of enterprises surveyed believe the EU's strict net neutrality rules limit telecom providers' ability to offer specialized connectivity services.

As a result, 67 percent of businesses believe the complex telecom centric solutions are hindering them from making further progress with 5G. As 38 percent of enterprises state, the complexity of upgrading is preventing them from adopting 5G solutions, and 36 percent lack the skills required to manage the network infrastructure. Addressing this complexity issue therefore needs to be at the top of their agenda.

Enterprises agree the long-term impact of poor connectivity includes:



The longer it takes to be addressed, the greater the impact of poor connectivity. Forty-six percent of enterprises state they've experienced higher operational costs due to unreliable connectivity, with 31 percent stating it had led to an increase in waste and a further 28 percent linking it directly a loss of earnings. Likewise, 71 percent of enterprises believe poor connectivity in remote areas restricts their ability to accurately gather emissions data. Overcoming these hurdles is vital if countries and businesses want to unlock long-term productivity and revenue gains, and meet their sustainability targets, otherwise they risk these problems compounding over the coming years.

While some of these challenges are outside the scope of what businesses can control, there are steps they can take which can mitigate their concerns. For instance, only 30 percent have worked with a channel partner to provide 5G connectivity to their workplace. These organizations can help plug the gap of in-house skills that some enterprises lack. These managed 5G WWAN solutions simplify configuration, automate updates, and reduce the burden on in-house network administrators. They can also help organizations identify the right solution for them, for example, using secure routers which offer cellular, Wi-Fi, and even satellite failover. This ensures maximum uptime and enables lean IT teams to focus on more strategic priorities instead of troubleshooting connectivity issues.

UK

The UK, along with many other countries, is facing a series of public service challenges. Underinvestment in utility infrastructure has resulted in [outdated systems](#) which have fallen behind other leading countries. The NHS is currently facing a waiting list of [7.4 million cases](#), with 3.02 million waiting over 18 weeks for treatment. Finally, economic growth has continued to be sluggish, with the OECD recently cutting its forecast by 0.3 percentage points to [1.4 percent](#) for 2025.

Overcoming these challenges will require a massive, coordinated approach, involving both private sector businesses and public services. However, it is clear that many business leaders believe cellular connectivity is a critical tool in this fight which can help create a more dynamic and intelligent ecosystem. For instance, 86 percent agree it is important in energy generation and energy infrastructure management, water infrastructure (82 percent), in-community care (83 percent), and the use of advanced technology in hospitals (88 percent). This is because it can support the use of IoT devices in remote environments to monitor how equipment is operating. It also has the high

bandwidth and low latency needed for the use of advanced technology and means connectivity infrastructure can be upgraded without needing to lay expensive fiber cables.

It is unsurprising then that 69 percent of UK businesses believe 5G is the best investment they can make over the next 12 months to maintain the UK's position as a leading tech powerhouse, ahead of robotics and automation (45 percent), and even AI (42 percent). This is down to the fact 62 percent of enterprises think 5G would give them better control around scaling connectivity infrastructure up and down, and 61 percent believes it gives them more control over critical operations, compared to 4G and wired options.

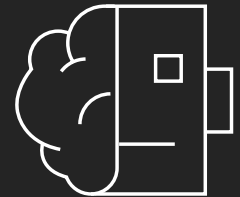
This investment will be crucial if businesses want to avoid being left behind as the leading telecoms companies proceed with their 3G switch off. Virgin Media O2 is the last major supplier set to turn its service off in 2025. Enterprises should see this as an opportunity to adopt newer cellular technology. At the same time, it will also help carriers by freeing up crucial spectrum for private deployments.

The combination of these factors has meant UK companies are more convinced than their European counterparts of the importance of 5G in positioning the country as a world class industrial and technology leader, with 67 percent strongly agreeing compared to the average of 47 percent across the continent. Likewise, 92 percent believe a new era of connectivity will help unlock business innovation, including the use of AI and IoT, compared to 85 percent across the continent.

Another key factor for UK enterprises to consider is sustainability. For instance, 78 percent of those surveyed feel compelled to cut carbon emissions because of increased reporting requirements. Again, to overcome this challenge many organizations are turning to next-generation technology, with 46 percent already adopting an AI or machine learning solution to cut down on waste at facilities. This deployment has gone hand in hand with cellular connectivity, with 66 percent using a

92%

Ninety-two percent believe a new era of connectivity will help unlock business innovation.



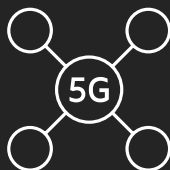
cellular network to make their facilities more efficient and to support the roll out of advanced technology which requires high bandwidth and low latency to operate effectively.

It is clear the majority of UK companies have identified 5G as a key piece of the puzzle to help the country overcome the various challenges it currently faces. The good news for the Government is that 75 percent of enterprises believe they have also been following through on their commitment to improve connectivity.

The challenge now lies in ensuring enterprises select the right solution for them. For instance, only 37 percent of businesses would apply for grants through local government to help develop 5G. But the Government supports several 5G innovation regions across the UK which can help specific sectors identify and use 5G solutions to business problems. For example, [Ayrshire](#) is developing solutions for the manufacturing sector, with [Sussex](#) focused on food and drink and many others spread across the UK.

69%

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Germany

Previous iterations of our State of Connectivity report have highlighted how German businesses have voiced concerns about the stagnation of the country's digital transformation since 2021. This trend continues this year, with 46 percent of enterprises believing Germany is lagging behind other leading nations in the rollout of digital infrastructure, with a further 34 percent believing current progression is insufficient to meet the demands of an advanced, innovative economy.

At the time of writing, Germany has also just confirmed its new chancellor, which brings the possibility of a change in priorities for the government. This will likely add to the sense of uncertainty among companies, with the [Ifo Business Climate Index](#) for April revealing expectations were gloomier and the German economy preparing for turbulence.

Poor connectivity has only exacerbated these fears, with 27 percent of enterprises admitting unreliable connectivity led to a loss of earnings, and another 45 percent stating it caused higher operational costs, an increase from 35 percent in 2024.

To overcome these challenges 77 percent of enterprises plan to update their connectivity infrastructure in 2025. Unfortunately, 37 percent

admit the high investment needed to upgrade connectivity prevents them from investing more in 5G solutions. Similarly, a growing number of businesses feel a lack of in-house skills is holding back cellular initiatives, growing from 27 percent in 2024 to 36 percent in 2025.

This is especially concerning for enterprises looking to take advantage of next-generation technology, given the fact that 82 percent of German companies believe 5G is critical to optimizing the use of AI in the workplace. Likewise, 89 percent believe a new era of connectivity will help unlock business innovation with AI and IoT devices, and 86 percent think 5G connectivity is required to accelerate R&D initiatives within the business. Any delay in updating these networks could therefore have an effect on the long-term competitiveness of German companies going forward.

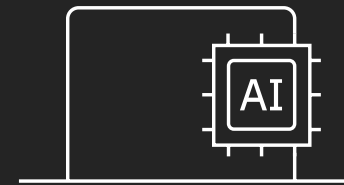
Fortunately, a potential solution to these skills and resourcing challenges lies in AI, with 82 percent of IT teams agreeing its ability to automate analysis and reduce manual workload leads to better network performance. Likewise, by automatically detecting issues in the network, 84 percent of businesses believe AI can help improve workplace security. As the use of AI continues to increase, it will help plug the skills gap that many German businesses currently face, creating a positive loop where enterprises are empowered to improve their networks. This in turn will improve the adoption rate of AI which leads to more robust and efficient networks.

At a national level, there are also more positive signs starting to emerge. For example, 44 percent of enterprises state the Government's gigabit strategy to upgrade 5G availability is appropriate and realistic, with another 35 percent believing it is both ambitious and realistic. At the same time, legislative changes, such as [the relaxation of the debt brake](#), has increased funding for infrastructure improvements.

It is also clear businesses have already identified cellular connectivity as a reliable solution to many of their existing problems, with 55 percent using cellular networks to help reduce waste and improve efficiency at facilities. These benefits are even clearer in industrial enterprises, with

82%

Eighty-two percent of German companies believe 5G is critical to optimising the use of AI in the workplace.



43 percent concerned around the security of connected devices which is holding back the deployment of sensors in factories. In this environment the security within 5G networks can help allay this fear. For instance, by implementing zero trust measures enterprises can ensure any device on their network is dark to users outside that network. It also means even if a criminal does gain access to the device they can't escalate their access to other more sensitive areas of the network. It is unsurprising then that enterprises see cellular networks as the necessary connectivity foundation needed to support the roll out of more IoT devices, with 39 percent of firms planning to invest in them to further help reduce waste at facilities.

It is clear German enterprises are looking for solutions which can help unlock the benefits of new technology. Unfortunately, many face blockers around skills and available capital which is holding back uptake of new cellular networks. However, there are steps they can take. For example, only 32 percent currently work with channel partners, which can help overcome shortfalls of in-house skills.

Leaders admit unreliable connectivity leads to:



27%

Loss in earnings

45%

Higher operational costs

France

Last year's report told us that 58 percent of French enterprises had planned to upgrade their connectivity infrastructure many have kept true to their word with 54 percent using 5G networks to maximize production efficiency over the last 12 months.

The country also had a notable deployment of cellular technology in 2024, using a [private 5G network](#) to support broadcasting and push-to-talk communication at the Paris 2024 Summer Olympics. This helped provide a seamless experience for visitors, athletes, and organizations operating throughout the venues. It is also one of the few countries achieving strong coverage of 5G, with it currently standing at [93.2 percent](#), above the EU average of 89.3 percent.

However, despite these positive steps, many enterprises still suffer from unreliable connectivity, with 39 percent reporting higher

operational costs. One of the main reasons these organizations have not upgraded their infrastructure is the high cost of deployment and maintenance of a network, cited by 38 percent of businesses. Thirty-five percent of French businesses also see the EU's strict net neutrality rules as the biggest hindrance to connectivity progression in Europe.

This is unfortunate as the majority of enterprises see the value in more secure, reliable, and high performing networks with 83 percent stating that 5G would help position France as a world class industrial and technology leader. Similarly, a resounding 83 percent of French business leaders believe a new era of connectivity will help unlock business innovation including AI and IoT. For example, 37 percent think it will help improve performance and responsiveness of AI systems thanks to its ultra-low latency. Likewise, 32 percent believe its ability to reliably cover a large area will help with the development of industrial IoT.

In fact, businesses who have already embraced 5G networks are seeing the benefits. The improved control of security measures was cited by 45 percent of enterprises as a key factor in why they opted for 5G instead of a fibre network. Similarly, 36 percent believe 5G can help them scale their business more effectively than a wired network.

Energy is one industry to reap the benefits of 5G connectivity, with the technology set to play a crucial role in optimizing electricity networks and enabling intelligent energy management. The area within this sector set to see the biggest return is the real-time management of electricity grids. Twenty-nine percent of enterprises believe that 5G will improve it as operators will be able to see more accurate and granular information from IoT devices. This then lays the foundation for industries to optimize their energy consumption, stated by 21 percent of businesses as the next benefit. Finally, 25 percent believe that due to the

83%

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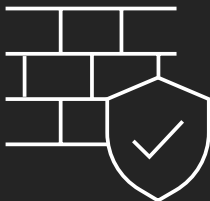


better infrastructure monitoring there will be a reduction in energy losses.

Other areas set to benefit from 5G are the development of smart cities (31 percent), industrial automation and robotics (35 percent) and logistics and supply chain management (34 percent). But it is the technology (data security and protection) industry that is most likely to gain value from 5G (48 percent). Enterprises in this sector are also looking to the future, with 38 percent stating the use of 5G networks will significantly accelerate the use of high-performance and quantum computing by enabling them to access the cloud.

45%

Forty-five percent of French enterprises cited improved control of security measures as a key factor in why they opted for 5G instead of a fibre network.



Conclusion

This year's report has many positive themes to focus on

Enterprises and governments clearly have a growing understanding of how AI and 5G can work together to enhance one other. It is also clear that governments have woken up to the need for strong reliable connectivity, with leaders putting it front and center in campaign pledges and investment. As countries look to make themselves more resilient in the face of an increasingly turbulent global economy, it is also reassuring to see that many enterprises believe 5G to be a key tool in their battle to maintain a competitive edge. This understanding will only grow as 5G technology advances. For example, network slicing, or the existence of multiple logical networks on the same physical infrastructure, will allow enterprises and public organizations to access dedicated bandwidth for certain operational functions. This will give

businesses the ability to achieve the service level agreements associated with certain wired connectivity options, without the cost and deployment times those options usually entail.

However, despite these positives, it is also clear that European businesses still face many challenges. Ongoing skills shortages and complex regulatory environments are hindering the effective rollout of new cellular networks. This in turn is having a knock-on effect on businesses who can't make the most of this fundamental technology. While some of the solutions to overcoming this problem lie outside the power of most organizations, there are still steps that many should be taking now. For example, working with channel partners to help plug existing skills gaps and using their knowledge to

identify what connectivity solution is correct for them. This includes looking into comprehensive WWAN and/or private 5G solutions which can support newer technologies whenever enterprises decide to implement them. Moreover, by choosing these solutions enterprise leaders will be laying a connectivity foundation that will let them choose when, and on what scale, they invest in the latest digital solutions. This will enable them to evolve their enterprises into agile, resilient, and adaptable organizations, fit for the modern world.

[Learn more about enterprise connectivity](#)

