

# Is Fixed Wireless Access the Netflix of Broadband Internet?

Fixed wireless access is gaining momentum as an alternative for wireline broadband and disruptive mobile market innovation.

By Harjot Saluja / *Reach Mobile*

**F**ixed wireless access (FWA) is disrupting the broadband market along two distinct paths – as a scalable alternative for fixed broadband and as a disruptive mobile market innovation akin to Netflix. It disrupted the cable industry by offering the world bingeable TV and movies at low prices and HD quality. Netflix created a new TV environment, giving people more choice and flexibility in their content *and* content provider. It's a landmark case study in understanding, anticipating and influencing customer wants and needs.

With FWA still a ways from Netflix status but gaining awareness with mainstream consumers across all markets (not just rural), many service providers are adopting a combined fixed and mobile broadband strategy. Historically, providers have deployed fiber to the most economical point, leaving plenty of gaps in serviceable households and consumer choice. This makes 5G FWA a switch-hitter for existing broadband providers and a compelling solution for challenger service providers looking to compete head-on with the wireline broadband market.

## **FIXED WIRELESS ACCESS LAND GRAB**

What is the key to mass market adoption for FWA? Consumers want choices, choices and more choices. Just as Netflix asked, “Do I *need* my cable provider?” FWA offers the same freedom of choice: “Is there a better alternative to

my internet service provider?” Choice and simple, affordable, reliable service may be driving FWA's significant traction and consumer spending. As such, the ecosystem for FWA is increasing, with new players from across the spectrum announcing plans, products and partnerships.

Some large operators have shown their cards on FWA. With public relations campaigns downplaying the importance and positive disruption that FWA offers, they are far from understanding consumers' point of view. Industry leaders, such as Comcast Chairman and CEO Brian Roberts, have gone so far as to label FWA an “inferior product.”

Analysts are noting the growth of fixed wireless. According to research firm Moffett Nathanson, FWA captured about 38 percent of the U.S. broadband industry adds in the fourth quarter of 2021. T-Mobile claims that about half of its FWA subs come from cable competitors. Consumers are voicing their appetite for choice.

This trend continued into the first and second quarters. T-Mobile and Verizon added 816,000 new FWA customers during the second quarter; Charter and Comcast collectively lost around 21,000 broadband customers. T-Mobile added 560,000 high-speed internet customers in the second quarter.

Verizon added 256,000 FWA subscribers in the second quarter of 2022, up from the 194,000 it added in the first quarter of 2022

## FWA MARKET SET TO RISE

Analyst groups are seeing potential growth for the FWA market. Dell'Oro Group forecasts that sales of PON equipment for fiber-to-the-home deployments, cable broadband access equipment, and fixed wireless customer premises equipment (CPE) will all increase from 2022 to 2026 as service providers look to expand the reach of their fixed broadband services to customers' homes and the quality and reliability of those services within homes. The research firm said that revenue for fixed wireless CPE is expected to reach \$5.1 billion by 2026, led by shipments of 5G sub-6GHz and 5G millimeter wave units.

Polaris Market Research agrees that the FWA market is set for growth. According to its recent report, the 5G FWA market size is expected to reach \$88.5 billion by 2027, up from \$389.05 million in 2019, at a compound annual growth rate of 99.3 percent during the forecast period 2020 to 2027.

adds in the second quarter of 2021), expanding that total to 316,000.

## CONSIDERING FWA

Denying the viability of FWA may work for behemoths such as Comcast, but for many providers, it offers inroads to untapped markets and thwarts competitive threats. As FWA gains mainstream awareness and momentum, many Tier-2 cable operators grapple with when to launch – and how. ❖

*Harjot Singh Saluja is the CEO of Reach Mobile.*



and the 23,000 added in the same quarter a year ago. The telco added 168,000 consumer FWA subs in the second quarter of 2022, ending the

period with 384,000 subscribers. Additionally, Verizon had 88,000 business fixed wireless reserves in the second quarter of 2022 (versus 82,000

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