

Mobile Service Providers

Mobilizing Digital Transformation and New Opportunities

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for visionaries



It is increasingly important for mobile service providers (MSPs), the traditional wireless carriers, to invest in new business models and operational processes to provide value to their digital transformation efforts. The ecosystem of MSPs — including mobile network operators (MNOs) and telecommunication providers — is also under pressure.

MSPs today rely on connectivity offerings, a highly competitive market with eroding profit margins and challenging customer demands, especially from newer generations. Additionally, MSP expertise is diminishing; the total number of patents filed by the Top 20 telcos have been in decline since 2013.

Top management and operational executives at MSPs are grappling with an onslaught of technology-specific dilemmas:

- How can MSPs generate new revenue streams in vertical markets and what platform strategies need to be employed to do this successfully?
- What is the upgrade path to 5G, the business model supporting it and strategies to maximize its market impact?
- How do MSPs digitally transform their business and what operational efficiencies and revenue opportunities will it unlock?
- How do MSPs effectively manage and curate their device, wearables and accessory portfolio to maximize customer retention and acquisition without excessive negative profitability impact?
- How do MSPs target and grow their expansion platforms in markets, such as the Smart Home, and combat web-scale companies?
- How should MSPs address video and OTT (over the top) content to manage its impact, prevent disintermediation and draw revenues from this market segment?
- What technology platforms, such as 5G, AI (artificial intelligence), VR (virtual reality), AR (augmented reality), automation and blockchain, will be key technological foundations for digital transformation?

ABI's **Mobile Service Providers** offering targets specific strategies to help solve important challenges with six comprehensive transformative technology research services:



Handsets & Devices: This area is the No. 2 biggest worry for MSPs and the No. 1 channel for subscriber acquisition and retention. And churn is immensely expensive. MSPs must have a thorough understanding of what technologies are pertinent in their current portfolios and what new technologies will be: LTE, gigabit throughput, OLED screens, edge-to-edge displays, biometric sensors, enhanced camera sensors, and flexible and foldable displays.



5G & Mobile Network Infrastructure: With the focus to deploy wireless connectivity to both consumer and enterprise subscribers, profits are made or lost here. But this domain needs innovation. The nature of mobile networks is changing from networks that support consumer telecommunications (e.g., 4G and below) to networks designed to support industrial telecommunications as well (e.g., 5G). There is lack of visibility on when to start reducing investment in 4G and accelerate investment in 5G.



Smart Home: This is a brand new opportunity. With more than 600 million smart home device shipments in 2021, the smart home market is the new battleground with some of the largest consumer companies in the world. Smart home will increasingly expand into adjacent consumer markets, such as mobile handsets and consumer transportation, just as it is already making changes in retail, security and insurance.



Telco Digitization: Telcos must have a wider market of subscribers and technology is key. Telcos are modernizing internal operations to take advantage of analytics, AI and other technologies to help them compete against the agility and responsiveness of web-scale companies. Algorithms can determine if people can't access certain services and push those services to them for additional revenue growth, as well as automate internal sales systems when generating quotes, shaving off substantial time.



Video, VR & OTT: Video represents the No. 1 traffic on MSPs' networks. But what's next on the horizon — everything from buying into TV platforms to purchasing as-you-go options? The content market is in the process of reshaping the TV and video landscape. The big question for consumers: How many services do I need to access the content I want? This might include several SVOD (subscription video on demand) services and one or two TVOD (transactional video on demand) services to rent or own the content. Additionally, the enterprise market and destination VR are early performers in a market many viewed as largely consumer.



Wearables, Usables & Expendables: They may be seen as an accessory but sell at full retail value, which is a massive profit. And many have access to digital content to increase the subscriber base; thus, ARPU (average revenue per user) continues to rise. The enterprise is the next big focus. There will be an increasing number of wearable devices for specific enterprise use cases and an increasing prevalence of EMM (enterprise mobility management) solutions. Smart clothing and hearables specifically will be burgeoning markets, and both will be feeding into data analytics.

About ABI Research

ABI Research provides strategic guidance for visionaries needing market foresight on the most compelling transformative technologies, which reshape workforces, identify holes in a market, create new business models and drive new revenue streams. ABI's own research visionaries take stances early on those technologies, publishing groundbreaking studies often years ahead of other technology advisory firms. ABI analysts deliver their conclusions and recommendations in easily and quickly absorbed formats to ensure proper context. Our analysts strategically guide visionaries to take action now and inspire their business to realize a bigger picture. For more information about ABI Research's forecasting, consulting and teardown services, visionaries can contact us at +1.516.624.2500 in the Americas, +44.203.326.0140 in Europe, +65.6592.0290 in Asia-Pacific or visit www.abiresearch.com.