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TOP 5 TELECOM TRENDS

A WNS PERSPECTIVE

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As 2018 drew to a close, 67 percent of the global population had subscribed to mobile services.[1] In the next few years, another 700+ million people are expected to subscribe to mobile services for the first time. The Asia-Pacific region will account for 50 percent subscribers, while 25 percent will be from Sub-Saharan Africa. In South Africa, by early 2019, mobile penetration had already touched 169 percent, driven partly by the popularity of multiple SIM cards and an increase in mobile broadband services.[2]

However, globally, the overall revenue growth has been slow — aggregate revenues of the top 100 global telecoms grew only at 3.8 percent between 2014 and 2017.[3] But with 5G technologies expected to contribute USD 2.2 Trillion to the global economy over the next 15 years, telecom companies may see a reversal in fortune, provided they make the right choices about the value they want to drive in the long run.

Here, we look at some of the top trends that are laying the foundation for transforming the telecom industry in the areas of infrastructure, services, technology and customer experience.

1. **Rise of Messaging Platforms & VoIP**
2. **Widening Reach of IoT & RPA**
3. **Role of AI in Customer Experience**
4. **Popularity of Mobile Content**
5. **Scope of 5G**

[1]https://www.gsmaintelligence.com/mwg-internal/de5fs23hu73ds/progress?id=3t0Awpow244Uz1Yd7_SwgPsHTcHchQjqAMz6m9b-76s%2c&d

[2]https://www.budde.com.au/Research/Africa-Mobile-Network-Operators-and-MVNOs

[3]https://www.hfsresearch.com/blueprint-reports/hfs-industry-blueprint-telecommunications-operations-2018

1 RISE OF MESSAGING PLATFORMS & VOIP

Booming data demand, new market entrants, ongoing consolidation, and vicious price wars – wireless service providers are fighting for market share around the globe. The emergence of Over-the-Top (OTT) players that offer applications and streaming content directly to consumers through the Internet have increased their dominance, even in core communication services such as messaging and voice.

A significant share of voice is captured by platforms such as WhatsApp, Viber and iMessage, which make up for more than 80 percent of all messaging traffic. In fact, more than a third of all international voice traffic minutes are a result of Skype, a Voice over Internet Protocol (VoIP) application.

2 WIDENING REACH OF IOT & RPA

Internet of Things (IoT) and Robotic Process Automation (RPA) have the ability to boost the performance of telecom operators by increasing the efficacy of operations and adding revenue streams.

IoT is enabling minimization of service downtime using monitoring and sensors, dynamic parts planning, telecom tower monitoring, and a machine-to-machine gateway for devices to connect on a common platform. It is also supporting offerings such as smart homes, smart cities, connected cars and telematics.

However, IoT is likely to become a missed opportunity for telecom companies if they don't figure out how to create horizontal, platform-based services. Horizontal platforms will enable companies to aggregate digital services for a broader segment.

RPA is uniquely poised to help telecom companies maneuver various tasks, including managing large, unstructured data sets and increasing responsiveness towards industry disruptions. Some RPA use cases for telecom include:

Service Desk Operations

Desktop unification of information to ensure ready access to information required by agents and improved workflow, automated password reset, and auto-categorization, assignment and resolution of tickets

Order Management and Provisioning

Automatic quality checks in order management and provisioning processes; and providing automated applications to autofill customer data from their profiles into Customer Relationship Management (CRM) as a part of the provisioning process

Order Fall-out Management

Straight-through processing of orders, removing various manual exceptions

Bill Audit and Human Resource Functions

Automation of manual bill audit process, elements of payroll administration, talent management and employee onboarding

3 ROLE OF AI IN CUSTOMER EXPERIENCE

Artificial Intelligence (AI) is enabling enhanced customer services for telecom companies. For example, a leading global telecom company increased its customer satisfaction by 68 percent after introduction of chatbot services.[4] AI enables analysis and prioritization of customer queries thereby enabling faster and more efficient resolution.

By going beyond just enhancing customer satisfaction, through algorithms which look for patterns, AI is helping detect and predict network anomalies, allowing operators to fix problems proactively before they impact customers. Through the use of intelligent and autonomous network solutions, telecom companies can enhance their service speed and quality, as well as customer experience through reduced operating costs.

4 POPULARITY OF MOBILE CONTENT

The rise in content consumption, particularly videos, is staggering. Mobile is a key driver for more people watching videos on their devices frequently and for longer durations. For example, the percentage of smartphone users watching free online videos at least once a month, in the age group of 18 to 65, has increased from 17 percent to 32 percent in South Africa in 2018.[5] The penetration of social media content through mobile increased from 23 percent to 40 percent between 2014 and 2017, with more than 1 billion new accounts across the globe.

The average monthly cost of a 500 MB data plan fell from 4.8 percent to 2.5 percent of monthly GDP per capita between 2014 and 2017. At the same time, the average cost of an entry-level Internet-enabled device fell from 2.6 percent to 2.3 percent of GDP per capita. Increasing smartphone usage coupled with decreasing data tariffs will continue to shape digital media consumption habits across the globe.

[4]https://www.forbes.com/sites/bernardmarr/2019/09/02/the-amazing-ways-telecom-companies-use-artificial-intelligence-and-machine-learning/#2fb4360c4cf6

[5]https://www.gsmaintelligence.com/mwg-internal/de5fs23hu73ds/progress?id=3t0Awpow244Uz1Yd7_SwgPsHTcHchQjqAMz6m9b-76s%2c&dl

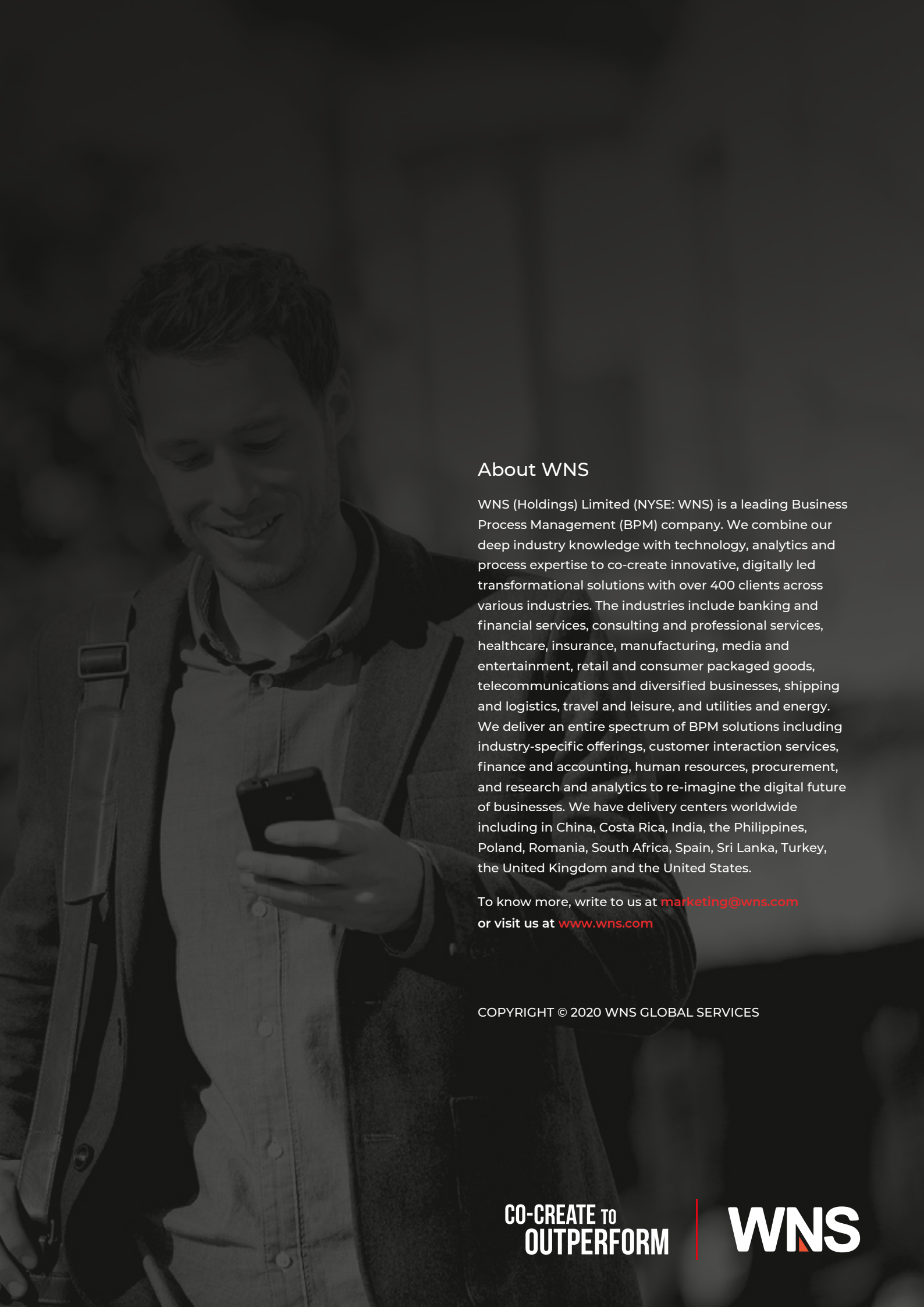
SCOPE OF 5G

By 2025, 5G connections are expected to reach 1.1 billion, accounting for 12 percent of total mobile connections across the globe, while overall operator revenues are expected to touch USD 1.3 Trillion. As of July 2019, 36 mobile operators from 21 markets worldwide had launched their commercial 5G services to businesses or individual consumers, either through mobile or fixed wireless services.[6]

High-speed and low latency being its key characteristics, 5G is expected to drive the growth of smart cities and IoT through the deployment of low-power sensor networks in both urban and rural areas. Companies therefore need to re-calibrate their strategies in order to capitalize on this opportunity to attract and retain customers.

The real challenge for telecom companies is to digitally transform their existing operations to remain competitive, while simultaneously defining an entirely new set of services that can replace declining revenue.

[6]S&P Global IQ – Kagan Research



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