

RESEARCH FORECAST REPORT

TELECOMS SERVICES FOR ENTERPRISES: AUSTRALIA FORECAST 2017-2022

IGOR BABIĆ and CATHERINE HAMMOND



analysysmason.com



Contents

5. Executive summary

6. Executive summary: operator enterprise revenue will increase during the forecast period, driven by growth in mobile data and other business services

7. Forecast results

8. Operator enterprise revenue will increase as mobile data, IoT and other business services continue to grow in importance

9. Revenue from micro and small enterprises will decline; medium and large enterprises will deliver revenue growth

10. Mobile services revenue will grow over the forecast period, driven by handset data and IoT

11. A continued decline in fixed voice and narrowband revenue will drive overall fixed service revenue down

12. The number of fixed data connections will slightly increase and the migration towards higher bandwidth services will continue

13. Markets for other business services will continue to grow, offering operators the opportunity to gain a share of new revenue

14. Australian operators are generating revenue from a wide range of other business services

15. Operator product offerings

16. Forecast methodology and assumptions

17. Forecast methodology and assumptions: presentation of results

18. Forecast methodology and assumptions: market definition

19. Forecast methodology and assumptions: modelling approach

20. Forecast methodology and assumptions: mobile services

21. Forecast methodology and assumptions: fixed services [1]

22. Forecast methodology and assumptions: fixed services [2]

23. Forecast methodology and assumptions: other business services [1]

24. Forecast methodology and assumptions: other business services [2]

25. About the authors and Analysys Mason

26. About the authors

27. About Analysys Mason

28. Research from Analysys Mason

29. Consulting from Analysys Mason

List of figures

Figure 1: Change in telecoms operator retail revenue from enterprises by service type, Australia, 2017–2022

Figure 2: Connections for enterprises and CAGRs by type of connection, Australia, 2017–2022

Figure 3: Telecoms operator retail revenue from enterprises in 2017 and CAGR for 2017–2022 by enterprise size, Australia, 2017

Figure 4: Telecoms operator retail revenue from enterprises by service type, Australia, 2013–2022

Figure 5: Percentage of telecoms operator retail revenue from enterprises in 2017 and CAGR for 2017–2022 by service type, Australia

Figure 6: Percentages of total employees, business sites and enterprises by enterprise size, Australia, 2017

Figure 7: Telecoms operator retail revenue from enterprises by service type and enterprise size, Australia, 2017 and 2022

Figure 8: Average monthly spend per employee on mobile services (excluding IoT) by enterprise size, Australia, 2017

Figure 9: Telecoms operator mobile service retail revenue and connections for enterprises, Australia, 2013–2022

Figure 10: Average monthly spend per site on fixed services (excluding IoT and pay TV) by enterprise size, Australia, 2017

Figure 11: Telecoms operator fixed service retail revenue and connections for enterprises, Australia, 2013–2022

Figure 12: Number of enterprise fixed broadband and dedicated connections by type of connection, Australia, 2013–2022

Figure 13: Average monthly spend per employee on other business services by enterprise size, Australia, 2017 and 2022

Figure 14: Whole market other business services retail revenue from enterprises by service type, Australia, 2013–2022

Figure 15: Other business services retail revenue from enterprises by service type and provider, and operators' share of this revenue by service type, Australia, 2022

Figure 16: Major operators and service providers serving the enterprise market in Australia

Figure 17: Percentage of enterprises, employees and business sites by enterprise size, Australia, 2017

Figure 18: Diagram of the forecast modelling approach

Figure 19: Definitions and key drivers for mobile services

Figure 20a: Definitions and key drivers for fixed services

Figure 20b: Definitions and key drivers for fixed services

Figure 21a: Definitions and key drivers for other business services

Figure 21b: Definitions and key drivers for other business services

About this report

This report analyses the demand for telecoms services by micro, small and medium-sized enterprises (SMEs) and large enterprises, expressed in terms of revenue, connections or users, and average revenue per user (ARPU).¹

It highlights that overall enterprise revenue for operators will slightly decrease during the forecast period and identifies the key drivers behind this trend.

It quantifies the market for fixed and mobile voice and data services, IoT connectivity services, and other business services such as security, co-location and hosting, enterprise mobility and software-as-a-service (SaaS).

The report is based on several sources, including data from operators, the Australian Bureau of Statistics, the Australian Communications and Media authority, and Analysys Mason's 2017 survey on enterprises' telecoms and ICT usage.

WHO SHOULD READ THIS REPORT

- Operators that want to identify key areas for revenue growth, both in terms of enterprise segments and individual services.
- Vendors that are considering targeting the enterprise market.
- Third-party service providers seeking collaborative relations with operators.

REPORT COVERAGE

Geographical	Services ²	
Countries modelled individually: <ul style="list-style-type: none"> ▪ Australia 	Mobile: <ul style="list-style-type: none"> ▪ Voice, messaging and handset data ▪ Mobile broadband ▪ IoT connectivity (mobile and LPWA) Fixed: <ul style="list-style-type: none"> ▪ Narrowband and VoBB ▪ ADSL/SDSL, vDSL, FTTP/B, cable, BFWA, other fixed broadband ▪ Dedicated connections up to 100Mbps, >100Mbps and up to 1Gbps, and >1Gbps ▪ Traditional managed services ▪ IoT connectivity 	Other business services: <ul style="list-style-type: none"> ▪ Unified communications ▪ Security ▪ Co-location and hosting ▪ Private cloud ▪ Software-as-a-service (SaaS, public cloud) ▪ Platform-as-a-service (PaaS, public cloud) ▪ Infrastructure-as-a-service (IaaS, public cloud) ▪ Enterprise mobility ▪ Desktop management
Enterprise size		
Segments: <ul style="list-style-type: none"> ▪ Micro (0–9 employees) ▪ Small (10–49 employees) ▪ Medium (50–249 employees) ▪ Large (250+ employees) 		

¹ For the complete data set, see the Analysys Mason [DataHub](#).

² See service taxonomy in the 'Forecast methodology and assumptions' section of this report.

Executive summary: operator enterprise revenue will increase during the forecast period, driven by growth in mobile data and other business services

Figure 1: Change in telecoms operator retail revenue from enterprises by service type, (where red denotes a decrease, and green an increase) Australia, 2017–2022¹

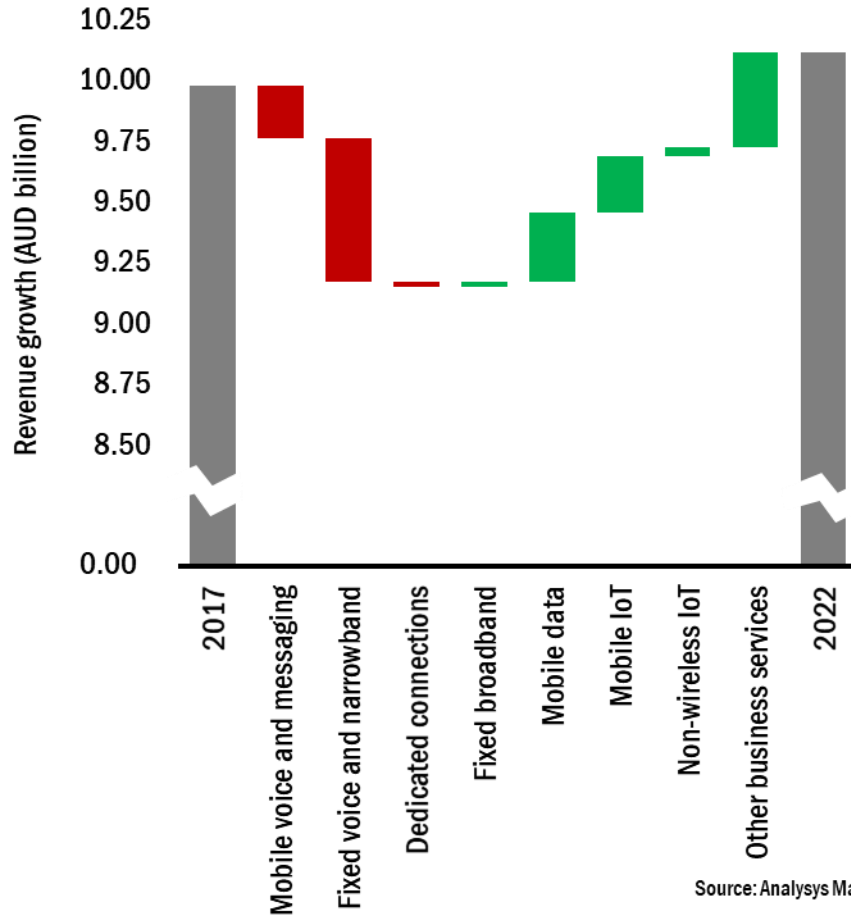
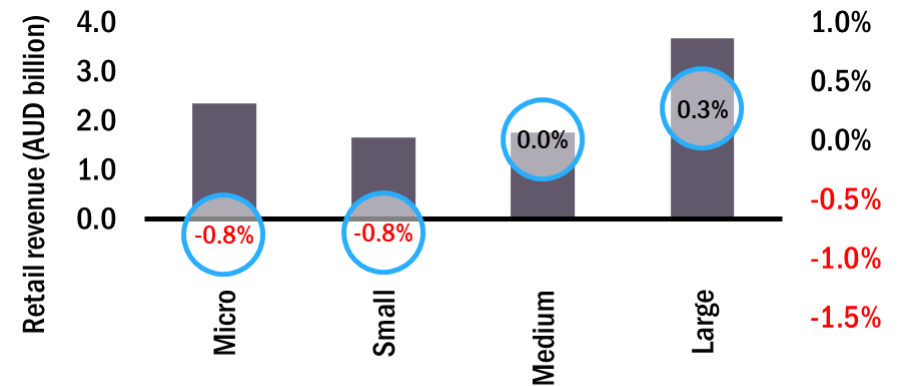


Figure 2: Connections for enterprises and CAGRs by type of connection, Australia, 2017–2022¹

Connection type	Connections (thousand)		CAGR	
	2017	2022	2013–2017	2017–2022
Mobile handsets	4500	4800	1.4%	1.3%
Mobile broadband	1200	1300	0.5%	1.6%
Mobile IoT	4200	26 300	22.1%	44.3%
Fixed voice	3900	3600	-3.3%	-1.6%
Fixed broadband	1190	1320	3.4%	2.1%
Fixed dedicated lines	178	184	1.0%	0.7%
Non-wireless IoT	10 800	15 600	24.8%	7.6%

Figure 3: Telecoms operator retail revenue from enterprises in 2017 and CAGR for 2017–2022 by enterprise size, Australia, 2017¹



Source: Analysys Mason

¹ See Presentation of results in the Methodology section of this report for full definitions of the aggregate categories presented in figures.

CONTENTS

EXECUTIVE SUMMARY

FORECAST RESULTS

FORECAST METHODOLOGY AND ASSUMPTIONS

ABOUT THE AUTHORS AND ANALYSYS MASON

About the authors



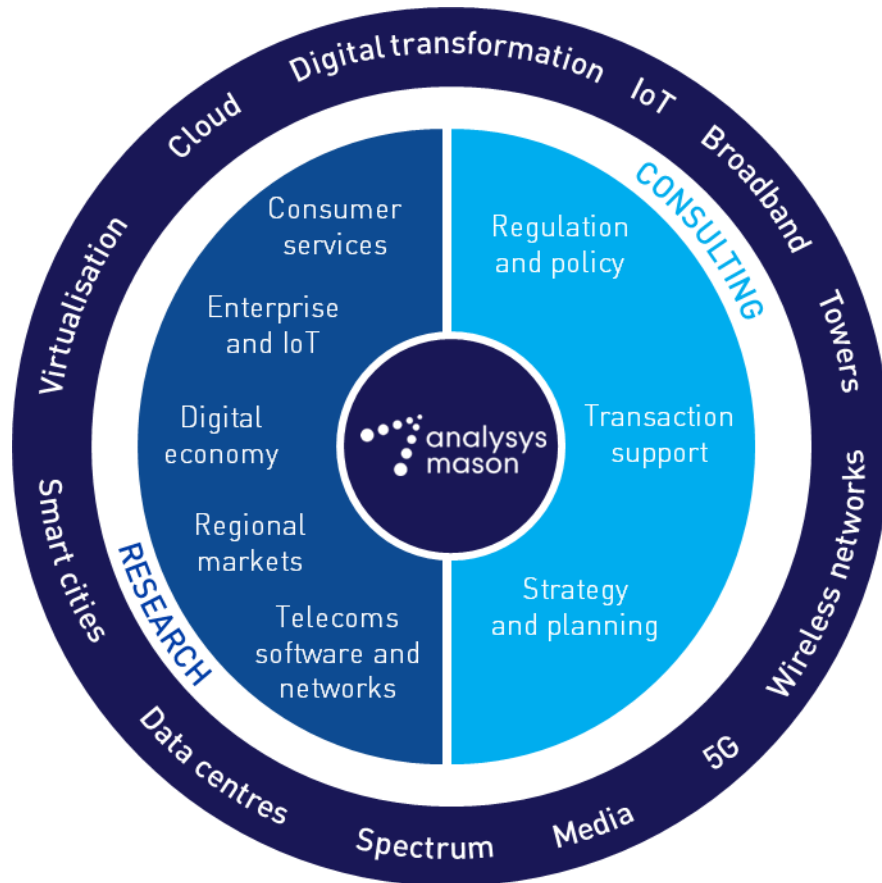
Igor Babić (Research Analyst) is a member of Analysys Mason's *Enterprise and IoT* research practice and is mainly focusing on market forecasting and enterprise research commentaries. Prior to joining Analysys Mason, he completed a BEng in Engineering Business Management at Warwick and an MPhil in Industrial Systems, Manufacture and Management at Cambridge.



Catherine Hammond (Senior Analyst) is an analyst for Analysys Mason's *Enterprise and IoT* research programme, specialising in market forecasting. She previously worked for nine years as a Senior Manager within Analysys Mason's Consulting practice, undertaking work for a wide range of operators, regulators and government agencies in Europe and Asia. Her work included the development and review of quantitative models, assessment of business plans, development of market forecasts, collation and analysis of benchmarks, development of white papers and leading client workshops and major presentations. She holds an MA in mathematics from the University of Cambridge.

Analysys Mason's consulting and research are uniquely positioned

Analysys Mason's consulting services and research portfolio



CONSULTING

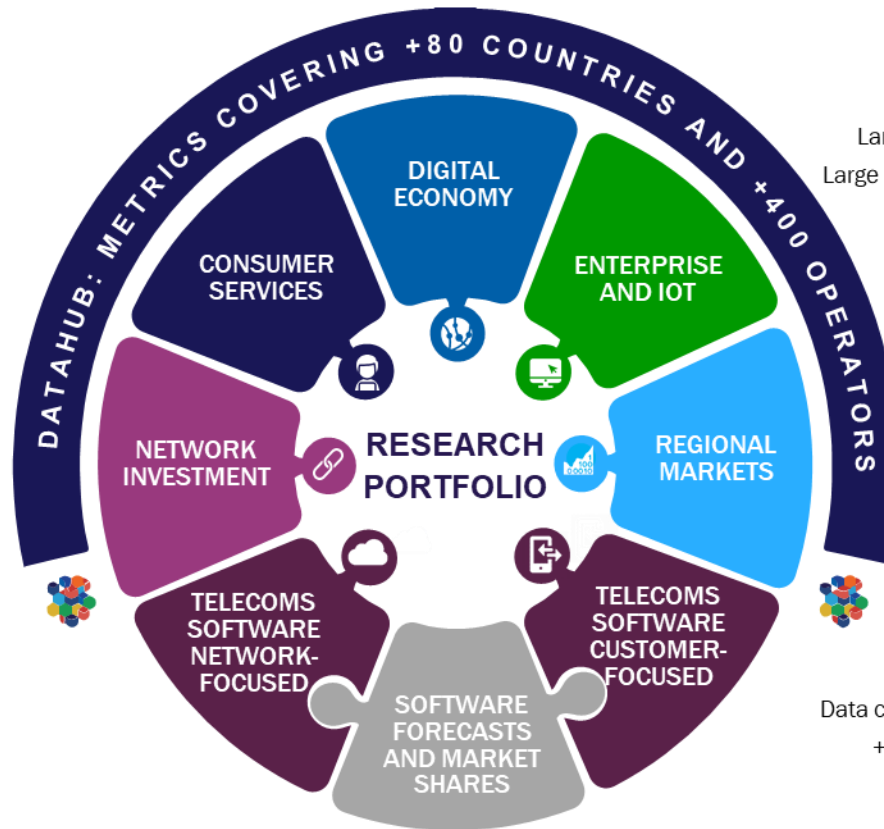
- We deliver tangible benefits to clients across the telecoms industry:
 - communications and digital service providers, vendors, financial and strategic investors, private equity and infrastructure funds, governments, regulators, broadcasters, and service and content providers.
- Our sector specialists understand the distinct local challenges facing clients, in addition to the wider effects of global forces.
- We are future-focused and help clients understand the challenges and opportunities that new technology brings.

RESEARCH

- Our dedicated team of analysts track and forecast the different services accessed by consumers and enterprises.
- We offer detailed insight into the software, infrastructure and technology delivering those services.
- Clients benefit from regular and timely intelligence, and direct access to analysts.

Research from Analysys Mason

- Consumer services programmes**
 - Mobile Services
 - Mobile Devices
 - Fixed Broadband Services
 - Convergence Strategies
 - Video Strategies
- Network investment programmes**
 - Network Investment Strategies
 - Network Traffic
 - Spectrum
- Telecoms software and networks programmes**
 - Software Forecast and Strategy
 - Telecoms Software Market Shares
- Network-focused**
 - Next-Generation Wireless Networks
 - Service Delivery Platforms
 - Service Fulfilment
 - Service Assurance
 - Network Orchestration
 - Software-Controlled Networking
- Customer-focused**
 - Digital Experience
 - Customer Engagement
 - Monetisation Platforms
 - AI and Analytics



analysismason.com/research

Digital economy programmes

- Digital Economy Strategies
- Future Comms

Enterprise and IoT programmes

- Large Enterprise Voice and Data Connectivity
- Large Enterprise Emerging Service Opportunities
- SME Strategies
- IoT and M2M Services
- IoT Platforms and Technology

Regional markets programmes

- Global Core Data
- Americas
- Asia-Pacific
- Middle East and Africa
- European Core Forecasts
- European Telecoms Market Matrix
- European Country Reports

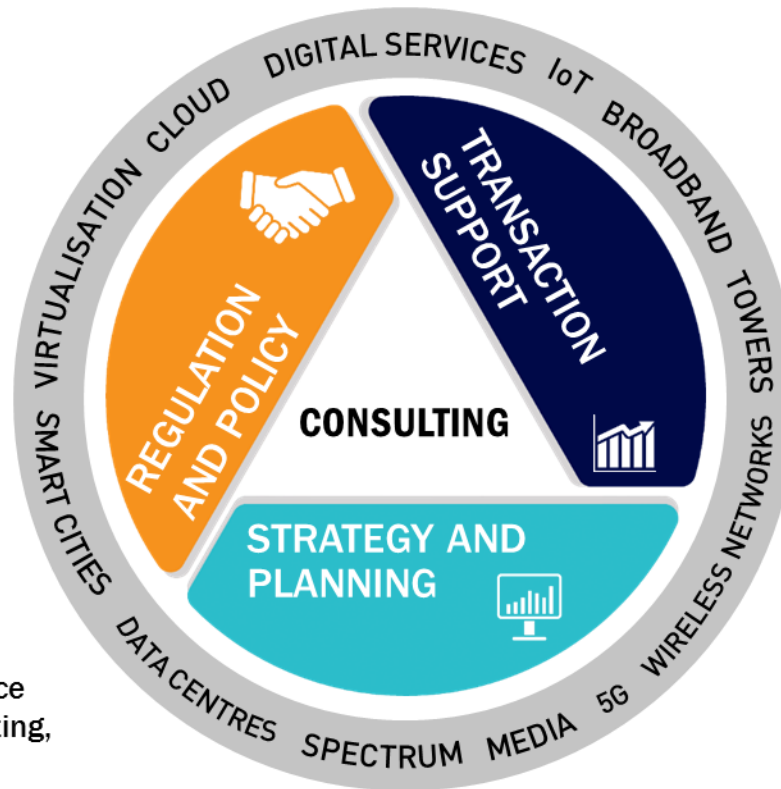
DataHub

- Data covering +80 countries and +500 operators
- +2300 forecast and +250 historical metrics
- Regional results and worldwide totals
- Operator historical data
- Compare markets and operators
- Financial values in USD, EUR or local currency
- Export data to Excel and save searches

Consulting from Analysys Mason

REGULATION AND POLICY

- Quality of service
- Market review
- Margin squeeze tests
- Analysing regulatory accounts
- Regulatory economic costing
- Policy development and response
- Media regulation
- Expert legal support
- Radio spectrum management
- Net cost of universal service
- Radio spectrum auction support
- Postal sector policy: universal service obligation (USO), liberalisation, costing, pricing and regulation



TRANSACTION SUPPORT

- Commercial due diligence
- Technical due diligence
- Mergers and acquisitions (M&As)
- Debt and initial public offerings (IPOs)
- Joint-venture (JV) structuring
- Mid-market financial sponsors

STRATEGY AND PLANNING

- Commercial expertise
- Technology optimisation
- New digital frontiers

analysismason.com/consulting

PUBLISHED BY ANALYSYS MASON LIMITED IN MARCH 2018

Bush House • North West Wing • Aldwych • London • WC2B 4PJ • UK

Tel: +44 (0)20 7395 9000 • Email: research@analysismason.com • www.analysismason.com/research • Registered in England No. 5177472

© Analysys Mason Limited 2018. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means – electronic, mechanical, photocopying, recording or otherwise – without the prior written permission of the publisher.

Figures and projections contained in this report are based on publicly available information only and are produced by the Research Division of Analysys Mason Limited independently of any client-specific work within Analysys Mason Limited. The opinions expressed are those of the stated authors only.

Analysys Mason Limited recognises that many terms appearing in this report are proprietary; all such trademarks are acknowledged and every effort has been made to indicate them by the normal UK publishing practice of capitalisation. However, the presence of a term, in whatever form, does not affect its legal status as a trademark.

Analysys Mason Limited maintains that all reasonable care and skill have been used in the compilation of this publication. However, Analysys Mason Limited shall not be under any liability for loss or damage (including consequential loss) whatsoever or howsoever arising as a result of the use of this publication by the customer, his servants, agents or any third party.