



Operator business services: Italy forecast 2018–2023



Igor Babić

Contents [1]

7. Executive summary

- 8. Executive summary: increases in revenue from other business services and IoT connectivity will drive operator enterprise revenue growth between 2018 and 2023
- 9. Implications for operators

10. Forecast results

- 11. Operator enterprise revenue in Italy will increase during the forecast period, and other business services will be the most significant contributor to this growth
- 12. Medium-sized and large enterprises will deliver revenue growth; large enterprises will become the largest source of operators' enterprise revenue in Italy
- 13. Revenue growth from IoT connectivity and handset data will lead to an increase in mobile services revenue in Italy over the forecast period
- 14. Operator revenue from fixed services in Italy will fall during the forecast period, mainly driven by a decrease in the number of fixed voice connections
- 15. The number of enterprise fixed data connections in Italy will increase between 2018 and 2023, along with the demand for higher-bandwidth services
- 16. The addressable market for other business services for operators will continue to grow as enterprises migrate further towards cloud-based business solutions
- 17. The key other business services markets addressed by operators in Italy are security, co-location and hosting and SaaS
- 18. The broader enterprise IT and managed services market reaches beyond those services addressed by operators and is currently worth EUR32 billion

19. Operator profiles

- 20. Telecom Italia has historically dominated both the fixed and mobile enterprise markets in Italy, but it is increasingly being challenged in both today

21. Operator profiles: Telecom Italia (TIM)

22. Operator profiles: Vodafone

23. Operator profiles: Irideos

24. Regional comparison

- 25. Operator enterprise revenue growth in Italy is expected to be very limited, and slower than in Western Europe as a whole
- 26. Fixed voice and narrowband services account for a larger share of operator revenue than in Western Europe as a whole, and revenue from them will decline more rapidly
- 27. Revenue growth from large enterprises in Italy will outstrip the growth in Western Europe as a whole, but revenue from small enterprises will decline more rapidly

28. Forecast methodology and assumptions

- 29. Forecast methodology and assumptions: presentation of results
- 30. Forecast methodology and assumptions: market definition
- 31. Forecast methodology and assumptions: modelling approach
- 32. Forecast methodology and assumptions: mobile services
- 33. Forecast methodology and assumptions: fixed services [1]
- 34. Forecast methodology and assumptions: fixed services [2]
- 35. Forecast methodology and assumptions: other business services [1]
- 36. Forecast methodology and assumptions: other business services [2]
- 37. Forecast methodology and assumptions: broader IT categories

Contents [2]

38. About the author and Analysys Mason

39. About the author

40. Analysys Mason's consulting and research are uniquely positioned

41. Research from Analysys Mason

42. Consulting from Analysys Mason

List of figures [1]

Figure 1: Change in telecoms operator retail revenue from enterprises by service type, Italy, 2018–2023

Figure 2: Connections for enterprises and CAGRs by type of connection, Italy, 2018–2023

Figure 3: Telecoms operator retail revenue from enterprises in 2018 and CAGR for 2018–2023 by enterprise size, Italy

Figure 4: Telecoms operator retail revenue from enterprises by service type, Italy, 2014–2023

Figure 5: Percentage of operator retail revenue from enterprises in 2018 and CAGR for 2018–2023 by service type, Italy

Figure 6: Percentages of retail revenue, total employees and total enterprises by enterprise size, Italy, 2018

Figure 7: Telecoms operator retail revenue from enterprises by service type and enterprise size, Italy, 2018 and 2023

Figure 8: Telecoms operator mobile service retail revenue and connections for enterprises, Italy, 2014–2023

Figure 9: Telecoms operator fixed service retail revenue and connections for enterprises, Italy, 2014–2023

Figure 10: Number of enterprise fixed broadband and dedicated connections by type of connection, Italy, 2014–2023

Figure 11: Whole market other business services retail revenue from enterprises by service type, Italy, 2014–2023

Figure 12: Other business services retail revenue from enterprises by service type and provider and operators' share of this revenue by service type, Italy, 2023

Figure 13: Enterprise IT spend, Italy, 2018–2023

Figure 14: 'Human' business SIMs by operator, June 2018

Figure 15: Business broadband connections by operator, June 2018

Figure 16: Telecom Italia's enterprise revenue in Italy, including equipment sales, 2015–1H 2018

Figure 17: Telecom Italia's ICT services revenue in Italy, 2015–9M 2018

Figure 18: Fastweb's enterprise revenue, 2015–9M 2018

Figure 19: Changes in operator enterprise revenue, Italy and Western Europe (WE), 2018–2023

Figure 20: Share of operator enterprise revenue by product category, Italy and Western Europe, 2018

Figure 21: CAGR in operator enterprise revenue by product category, Italy and Western Europe, 2018–2023

Figure 22: CAGR in operator enterprise revenue by segment, Italy and Western Europe, 2018–2023

Figure 23: Share of operator enterprise revenue by segment, Italy and Western Europe, 2018

Figure 24: Percentage of enterprises, employees and business sites by enterprise size, Italy, 2018

Figure 25: Diagram of the forecast modelling approach

Figure 26: Definitions and key drivers for mobile services

List of figures [2]

Figure 27a: Definitions and key drivers for fixed services

Figure 27b: Definitions and key drivers for fixed services

Figure 28a: Definitions and key drivers for other business services

Figure 28b: Definitions and key drivers for other business services

Figure 29: Description of broader IT categories tracked by AMI Partners

About this report

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

The report highlights that operator business revenue in Italy is expected to grow between 2018 and 2023 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 Italian Institute of Statistics, the Authority for Communications Guarantees 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 business market.
- Third-party service providers seeking collaborative relations with operators.

REPORT COVERAGE

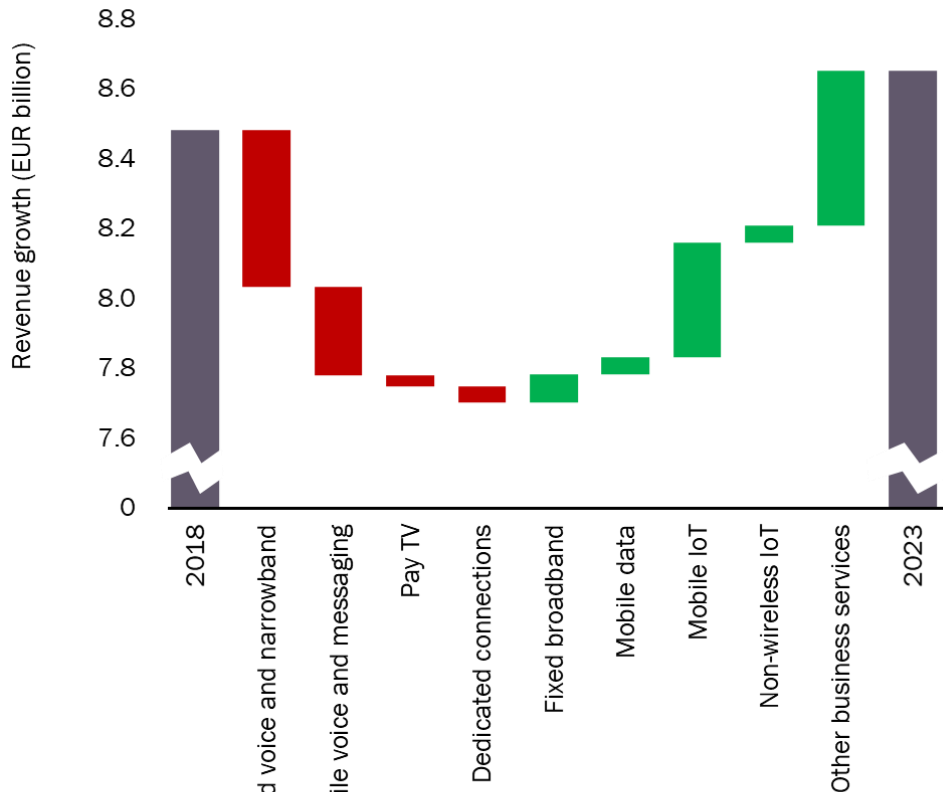
Geographical	Services ²	
Countries modelled individually: <ul style="list-style-type: none"> ▪ Italy 	Mobile: <ul style="list-style-type: none"> ▪ Voice, messaging and handset data ▪ Mobile broadband ▪ IoT connectivity (mobile and LPWA) 	Other business services: <ul style="list-style-type: none"> ▪ Unified 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
Business size	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 ▪ Pay TV 	
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 Analysys Mason's [DataHub](#).

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

Executive summary: increases in revenue from other business services and IoT connectivity will drive operator enterprise revenue growth between 2018 and 2023

Figure 1: Change in telecoms operator retail revenue from enterprises by service type, Italy, 2018–2023^{1,2}



Source: Analysys Mason

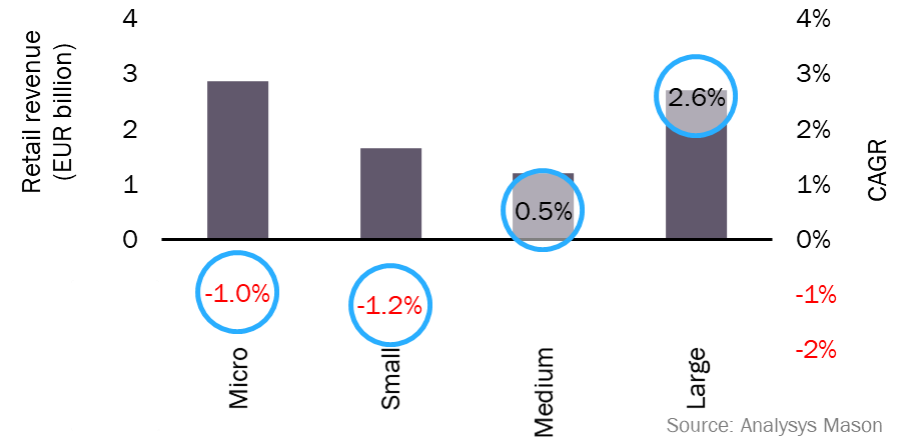
¹ Red denotes a decrease, and green an increase.

² See the 'Presentation of results' slide in the 'Forecast methodology and assumptions' section of this report for full definitions of the aggregate categories presented in the figures.

Figure 2: Connections for enterprises and CAGRs by type of connection, Italy, 2018–2023²

Connection type	Connections (thousand)		CAGR	
	2018	2023	2014–2018	2018–2023
Mobile handsets	5660	5830	-2.7%	0.6%
Mobile broadband	3669	3730	7.1%	0.3%
Mobile IoT	18 450	78 150	24.7%	33.5%
Fixed voice	5640	5310	-2.2%	-1.2%
Fixed broadband	2870	2950	3.5%	0.6%
Fixed dedicated lines	324	328	0.1%	0.2%
Non-wireless IoT	47 750	49 450	1.5%	0.7%
Pay TV	550	540	-0.1%	-0.4%

Figure 3: Telecoms operator retail revenue from enterprises in 2018 and CAGR for 2018–2023 by enterprise size, Italy²



Source: Analysys Mason



Contents



Executive summary

Forecast results

Operator profiles

Regional comparison

Forecast methodology and assumptions

About the author and Analysys Mason

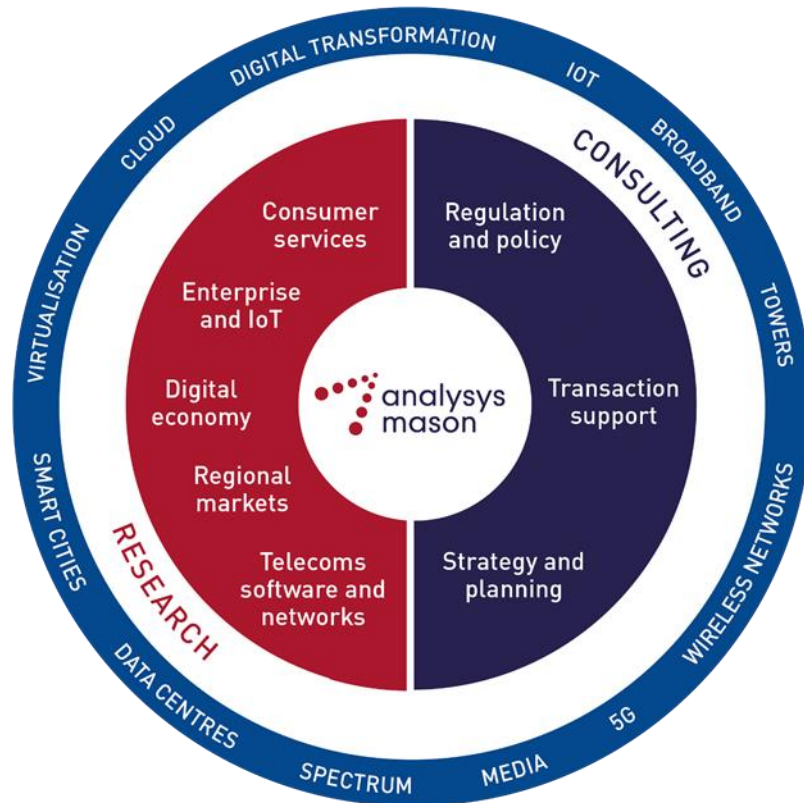
About the author



Igor Babić (Research Analyst) is a member of Analysys Mason's *Operator business services 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.

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 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

Operator investment programmes

- Operator Investment Strategies
- Network Traffic
- Spectrum

Telecoms software and networks programmes

- Software Forecast and Strategy
- Telecoms Software Market Shares
- Network-focused**
- Next-Generation Wireless Networks
- Video and Identity Platforms
- Service Design and Orchestration
- Automated Assurance
- Network Automation and Orchestration
- Digital Infrastructure Strategies

Customer-focused

- Digital Experience
- Customer Engagement
- Monetisation Platforms
- AI and Analytics

Digital economy programmes

- Digital Economy Strategies
- Future Comms

Operator business services and IoT programmes

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

SMB ICT programmes

- Managed Service Provider Strategies

Regional markets programmes

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

DataHub

- ~2500 forecast and 250+ historical metrics
- Regional results and worldwide totals
- Operator historical data



Consulting from Analysys Mason

REGULATION AND POLICY

- Policy development and response
- Ex-ante market reviews, remedies, costing...
- Universal Service Obligation (USO)
- Scarce resources: radio spectrum management, auction support, numbering...
- Ex-post/abuse of dominance
- Postal sector



TRANSACTION SUPPORT

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

STRATEGY AND PLANNING

- Commercial expertise
- Technology optimisation
- New digital frontiers

analysismason.com/consulting



PUBLISHED BY ANALYSYS MASON LIMITED IN JANUARY 2019

Bush House • North West Wing • Aldwych • London • WC2B 4PJ • United Kingdom

Tel: +44 (0)20 7395 9000 • Email: research@analysismason.com • www.analysismason.com/research • Registered in England and Wales 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 Italy 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.