

# Operator investment in new digital services remains strong

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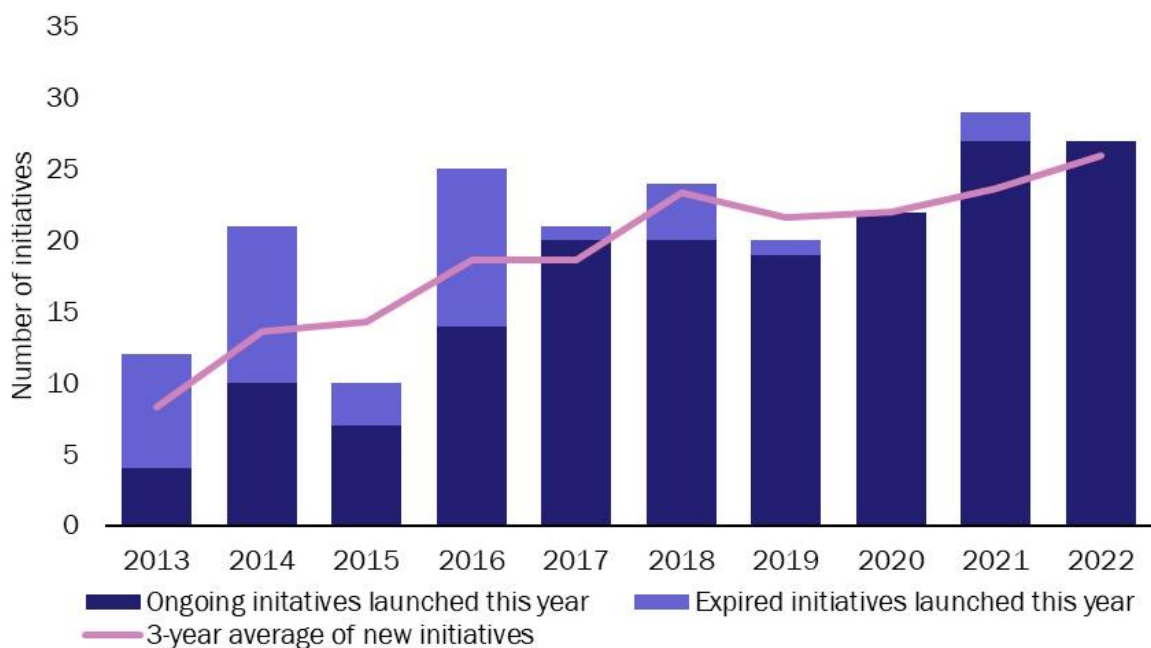
Operators are continuing to invest in new services to drive growth beyond their core businesses. 27 digital service initiatives were launched in 2022, more than any other year since 2013 except for 2021. Contrary to the prevailing sense that these projects have a poor success rate, 81% of the 211 projects launched in the past 10 years – and over half of projects launched between 2013 and 2016 – are still active.

The information in this article is based on Analysys Mason’s *Digital economy initiatives tracker* which captures the launch of 198 current and 57 expired digital economy initiatives by operators.

## More operators are investing in digital services initiatives

Figure 1 illustrates the gradual growth in the number of initiatives launched each year. In the last 10 years, the number of initiatives launched per year has varied from 10 in 2015 to 29 in 2021. Naturally, older initiatives are more likely to have been discontinued. However, even for initiatives from 2013 to 2016, 51% are still operational.

Figure 1: Ongoing and expired digital economy initiatives launched by operators, 2013–2022

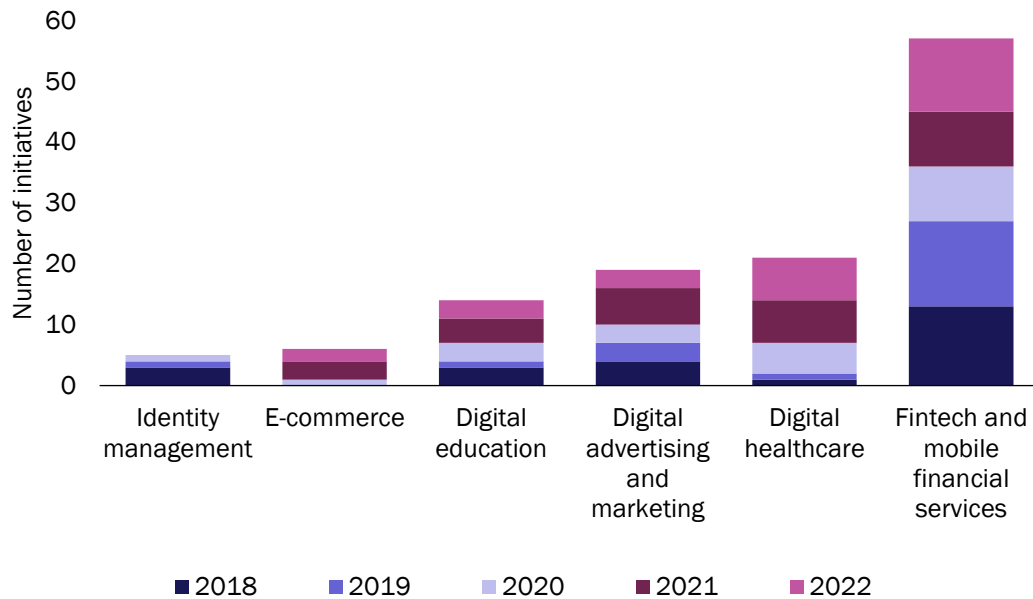


Source: Analysys Mason

## Fintech and mobile financial services (MFS) remain popular investment areas, but operators have little interest in e-commerce

Figure 2 illustrates that fintech and MFS remain the most popular areas for investment in digital services, with the number of launches up from 9 in 2021 to 12 in 2022. E-commerce is less popular. Only 6 new e-commerce initiatives were launched in the past 5 years, compared to 57 for fintech and MFS.

**Figure 2: Number of digital economy initiatives launched by operators each year in each industry vertical, 2018–2022<sup>1</sup>**



Source: Analysys Mason

Operators in the Middle East are especially interested in financial services. Since 2021, a growing number of Middle Eastern countries have granted approval for companies to start offering digital financial services. These operators have been quick to partner with traditional and national banks to launch seven new digital banking, e-wallet and e-payment initiatives in the Middle East such as e&'s Wio, e& money and Vodafone Qatar's iPay. In the USA, DISH Network's Boost Mobile has launched its digital banking service OmniMoney.

Some operators see blockchain technologies as a future revenue stream. In 2022, Rakuten launched an NFT marketplace and sales platform called Rakuten NFT. Meanwhile, SK Telecom's blockchain arm announced partnerships to develop a digital wallet for blockchain-based assets.

E-commerce initiatives from 2022 include SK Telecom's T-Universe, an e-commerce platform for subscription services, and Bouygues Telecom's B-Live Shopping, a TV show which advertises products and allows customers to purchase these products using their TV box or a mobile app.

<sup>1</sup> For initiatives that span multiple industry verticals, the primary industry vertical is captured in this figure.

## Operators are contributing to the digital transformation of the healthcare and education industries

Digital healthcare was largely neglected by operators until 2020 but was the second-most popular area for investment from 2020 to 2022. Operators have taken a range of different [approaches](#) to digital healthcare. [TELUS](#) has been a leader in the telehealth space, offering video consultation services with doctors, counsellors, pharmacists and veterinarians. Other operators have been launching fitness, wellbeing and remote patient monitoring apps such as Etisalat's GoWell, Rakuten Healthcare and Telstra Healthcare. Operators such as Rakuten have expressed their desire to transform their healthcare initiatives into super apps that combine fitness and wellbeing monitoring, vitals monitoring, the management of medical data, the ability to virtually order prescription drugs and teleconsultations into one app.

Operators have been developing [digital education platforms](#) both to generate income and improve corporate social responsibility. Digital education initiatives have been aimed at all ages including AT&T's The Achievery for school students, Türk Telekom's Raunt for students preparing for university and Tele2's initiative, Skill.Tele2, a platform for adult independent learning.

## Operators are persisting with new initiatives in the digital advertising and marketing space

Operators continue to launch new digital advertising and marketing initiatives despite the challenges of competing with internet giants in this space. NTT Docomo has partnered with Cyber Agent to launch an advertising company called Prism Partner. Bouygues Telecom's TVMotik was launched to enable targeted TV advertising. Also in 2022, Dish launched its National Linear Programmatic to make it simpler to buy advertisements on DISH TV channels.

To capitalise on privacy concerns surrounding traditional advertisers' practices, four European operators, Deutsche Telekom, Orange, Telefónica and Vodafone, plan to launch an ad tech joint venture (JV) that uses pseudonymous IDs linked to a user's subscription with a network operator. This will help improve cross-platform and cross-website advertising campaigns without needing to expose a user's personal information. Users will be given the ability to grant or withdraw consent for different advertisers to use their ID.

Some operators have made high profile divestments from their digital service initiatives, such as [Singtel selling Amobee](#), its advertising business. Other exits may follow. Orange is reportedly looking to sell its banking division, for example. However, despite these high profile exits, operators are not reducing the number of investments in new areas but are doing the reverse. Given the struggle to expand their core businesses, operators still feel that they need to explore these areas to generate growth in the longer term.