RESEARCH

# Telecoms services for enterprises: Kenya forecast 2018–2023

Terry van Staden

# Contents

# List of figures

# 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 average revenue per user (ARPU).[1]

The report highlights that operator enterprise revenue in Kenya will 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 Communications Authority of Kenya 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**

**Countries modelled individually:**

- Kenya

**Enterprise size**

**Segments:**

- Micro (0–9 employees)
- Small (10–49 employees)
- Medium (50–249 employees)
- Large (250+ employees)

**Services[2]**

**Mobile:**

- Voice, messaging and handset data
- Mobile broadband
- IoT connectivity (mobile and LPWA)

**Fixed:**

- 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:**

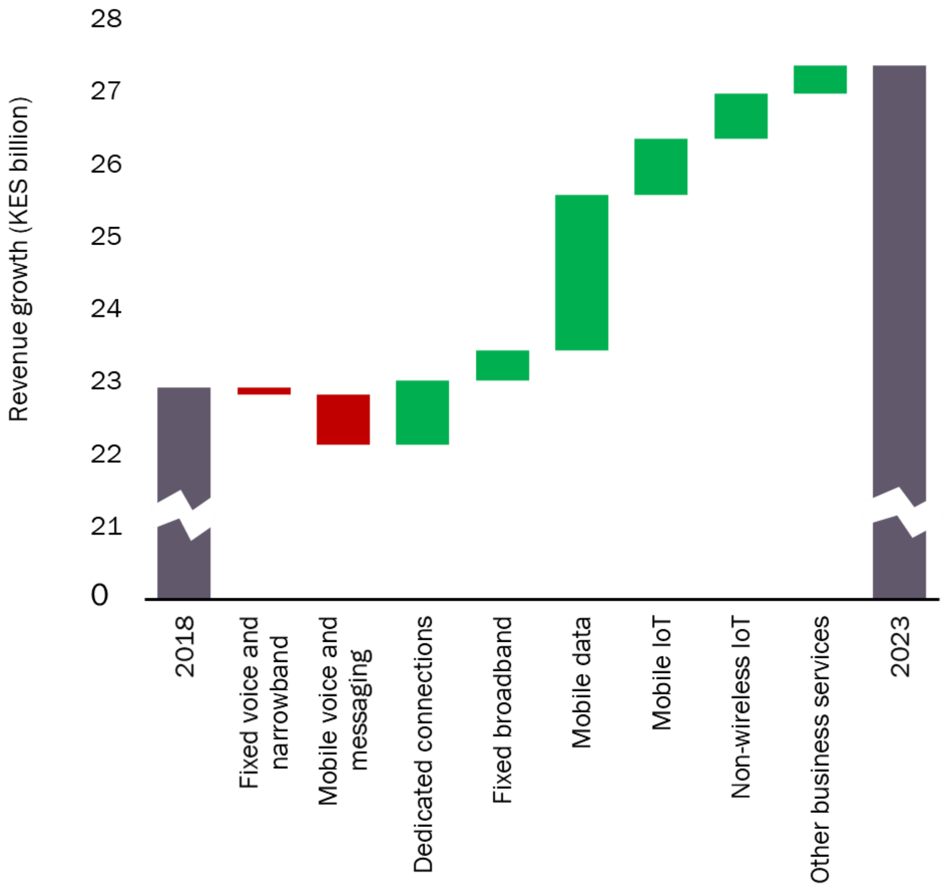
- Unified communications
- Security
- Co-location and hosting
- Private cloud
- Software-as-a-service (SaaS, public cloud)
- Platform-as-a-service (PaaS, public cloud)
- Infrastructure-as-a-service (IaaS, public cloud)
- Enterprise mobility
- Desktop management

[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: revenue across all non-legacy services in Kenya will grow, with large enterprises accounting for the majority of this growth

Figure 1: Change in telecoms operator retail revenue from enterprises by service type, Kenya, 2018–2023[1,2]

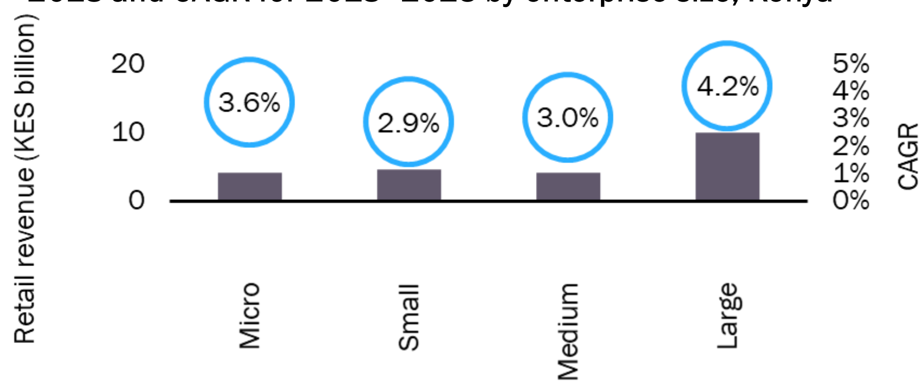



Source: Analysys Mason

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

| Connection type | Connections (thousand) | | CAGR | CAGR |
|---|---|---|---|---|
| | 2018 | 2023 | 2014–2018 | 2018–2023 |
| Mobile handsets | 590 | 830 | 15.0% | 7.1% |
| Mobile broadband | 23 | 36 | 27.2% | 9.4% |
| Mobile IoT | 280 | 3790 | 35.1% | 68.4% |
| Fixed voice | 50 | 50 | –11.4% | 0.0% |
| Fixed broadband | 58 | 79 | 12.8% | 6.4% |
| Fixed dedicated lines | 6.0 | 7.0 | 3.1% | 3.1% |
| Fixed IoT | 890 | 2500 | 34.9% | 22.9% |

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

# Contents

# About the author

**Terry van Staden** (Research Analyst) is a member of Analysys Mason's *Enterprise and IoT* research practice, focusing on operator strategies for the enterprise market. He specialises in SME bundling strategies, primary research and is responsible for our enterprise survey work. Prior to joining Analysys Mason, Terry received his masters in economics under full scholarship in South Africa, where his research papers won – or were nominated for – several national awards. He is a member of the Golden Key International Honour Society and the recipient of the Gold Duke of Edinburgh's Award.

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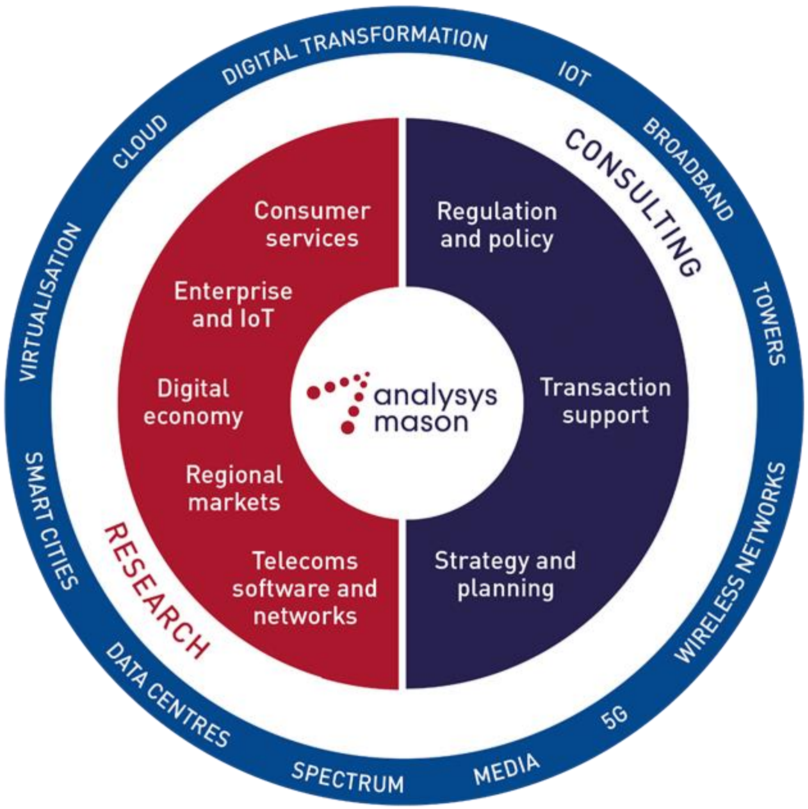


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