

RESEARCH FORECAST REPORT

# TELECOMS SERVICES FORECAST FOR LARGE ENTERPRISES: CENTRAL AND EASTERN EUROPE 2017-2022

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## About this report

This report analyses the demand for telecoms services by large enterprises,<sup>1</sup> expressed in terms of revenue, connections or users, and average revenue per user (ARPU).<sup>2</sup>

Total operator retail revenue from large enterprises in Central and Eastern Europe (CEE) will enjoy renewed growth as demand rises for data connectivity and other business services, offsetting further declines in voice services. As the number of IoT deployments in the region increases rapidly, operators will also benefit from revenue associated with delivering connectivity to IoT devices.

The forecasts are based on several sources, including data from operators, national regulators, government agencies and other third parties, and from Analysys Mason's 2017 survey on enterprises' telecoms usage.

### WHO SHOULD READ THIS REPORT

- Telecoms operators that want to identify key areas for revenue growth for services to large enterprises.
- Vendors that are considering targeting the enterprise market.
- Third-party service providers seeking collaborative relations with operators.

<sup>1</sup> We define large enterprises to be any private or public sector organisation that employs a paid workforce of at least 250 people.

<sup>2</sup> For the complete data set, see the accompanying Excel file at [www.analysysmason.com/LE-forecast2017-CEE-REN01-REN02](http://www.analysysmason.com/LE-forecast2017-CEE-REN01-REN02).

### REPORT COVERAGE

Geographical	Services <sup>2</sup>	
<b>Regions modelled:</b> <ul style="list-style-type: none"> <li>▪ Central and Eastern Europe (CEE)</li> </ul> <b>Countries modelled individually:</b> <ul style="list-style-type: none"> <li>▪ Poland</li> <li>▪ Russia</li> <li>▪ Turkey</li> </ul>	<b>Mobile:</b> <ul style="list-style-type: none"> <li>▪ Voice, messaging and handset data</li> <li>▪ Mobile broadband</li> <li>▪ IoT connectivity (mobile and LPWA)</li> </ul> <b>Fixed:</b> <ul style="list-style-type: none"> <li>▪ Narrowband and VoBB</li> <li>▪ ADSL/SDSL, vDSL, FTTP/B, cable, BFWA, other fixed broadband</li> <li>▪ Dedicated connections up to 100Mbps, &gt;100Mbps and up to 1Gbps, and &gt;1Gbps</li> <li>▪ Traditional managed services</li> <li>▪ IoT connectivity</li> </ul>	<b>Other business services:</b> <ul style="list-style-type: none"> <li>▪ Unified communications</li> <li>▪ Security</li> <li>▪ Co-location and hosting</li> <li>▪ Private cloud</li> <li>▪ Software-as-a-service (SaaS, public cloud)</li> <li>▪ Platform-as-a-service (PaaS, public cloud)</li> <li>▪ Infrastructure-as-a-service (IaaS, public cloud)</li> <li>▪ Enterprise mobility</li> <li>▪ Desktop management</li> </ul>
<b>Enterprise size</b>		
<b>Segments:</b> <ul style="list-style-type: none"> <li>▪ Large (250+ employees)</li> </ul>		

<sup>2</sup> See service taxonomy on slides in the Methodology section of this report.

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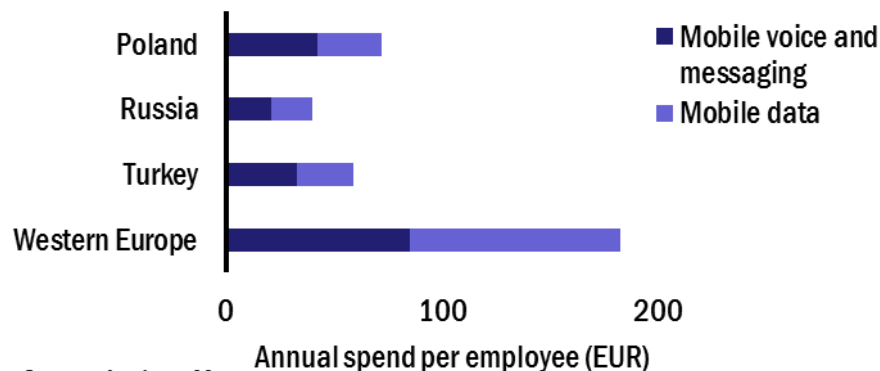
# Mobile service revenue will rise as growth in mobile handset data and IoT deployments continue

**We forecast that operators' mobile services retail revenue from large enterprises in Central and Eastern Europe will increase from EUR5.2 billion in 2017 to EUR5.7 billion by 2022.**

Voice and messaging revenue decline will persist, but much of this will be offset by a rise in the use of mobile data as the number of handsets provided to employees and the prevalence of smartphones rises. A comparison with the average spend per employee in Western Europe illustrates the potential for growth.

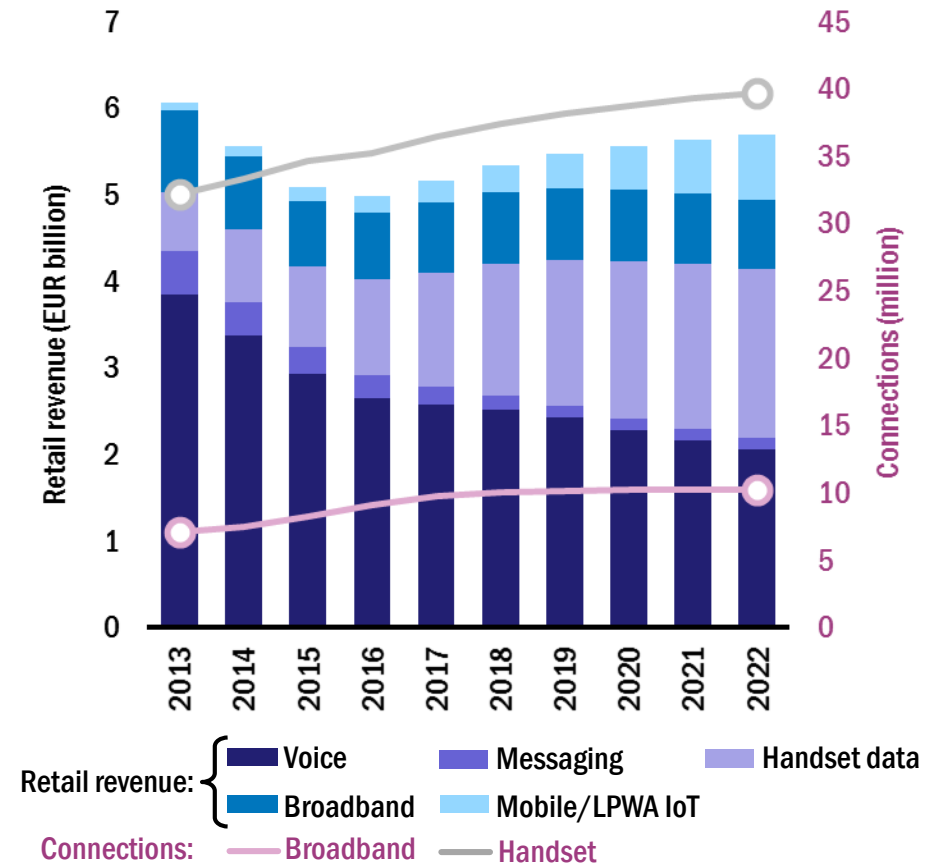
Much of the increase in revenue will be fuelled by the provision of connectivity services for IoT solutions using mobile or LPWA networks. We expect the number of connections to increase from 20 million in 2017 to 144 million by 2022.

Figure 5: Average annual mobile services spend per employee in large enterprises by country and service type, 2017<sup>1</sup>



Source: Analysys Mason  
<sup>1</sup> Excludes IoT connectivity revenue

Figure 6: Mobile service retail revenue and connections for large enterprises, Central and Eastern Europe, 2013–2022<sup>2</sup>



Source: Analysys Mason

<sup>2</sup> See Presentation of results in the Methodology section of this report for full definitions of the aggregate categories presented in figures and details of currency conversions.

# Fixed services revenue will gradually fall due to the ongoing decline in voice services

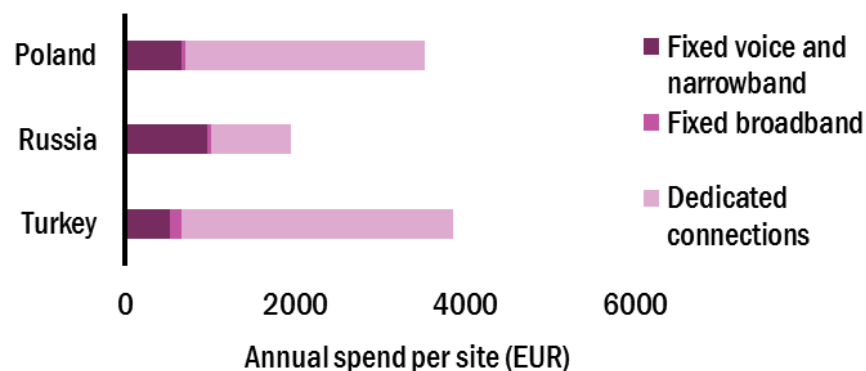
**We forecast that operators' fixed services retail revenue from large enterprises in Central and Eastern Europe will fall from EUR4.5 billion to EUR4.1 billion, as voice services continue to decline.**

Voice and narrowband connections and revenue will continue to decline, although not as markedly as in recent years.

The number of dedicated connections is expected to remain fairly stable and a continued increase in the bandwidth delivered will help to maintain average spend at current levels.

The number of large enterprise IoT solutions using fixed networks will increase from 39 million connections in 2017 to 75 million by 2022, resulting in small revenue growth for IoT connectivity.

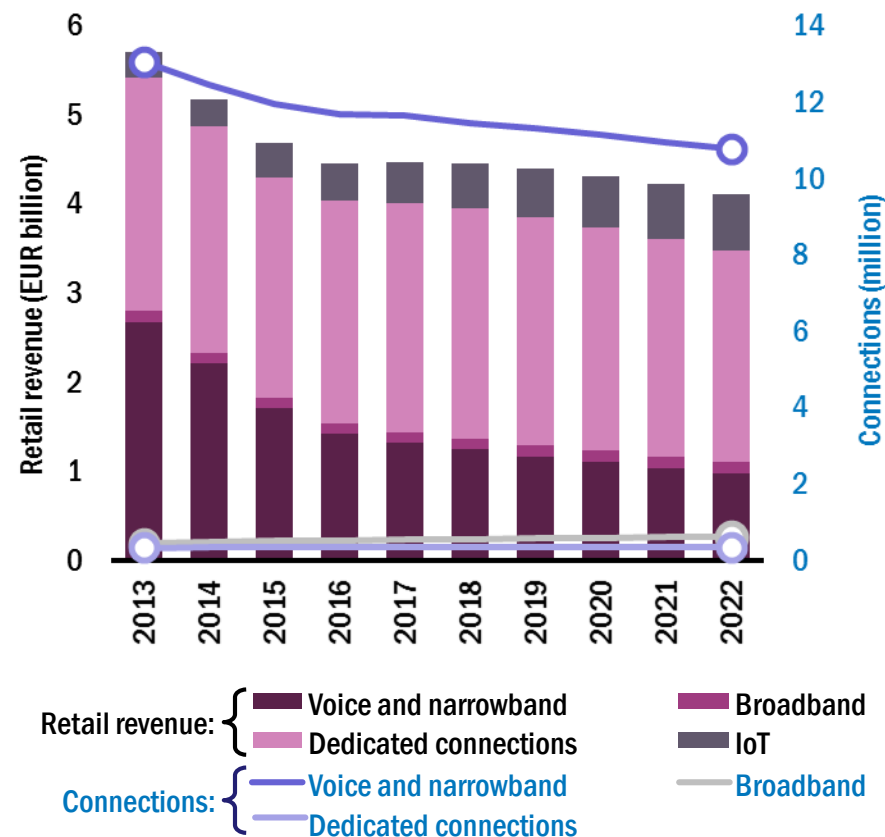
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Source: Analysys Mason

<sup>1</sup> Excludes hardware and IoT connectivity revenue

Figure 8: Fixed service retail revenue and connections for large enterprises, Central and Eastern Europe, 2013–2022<sup>2</sup>



Source: Analysys Mason

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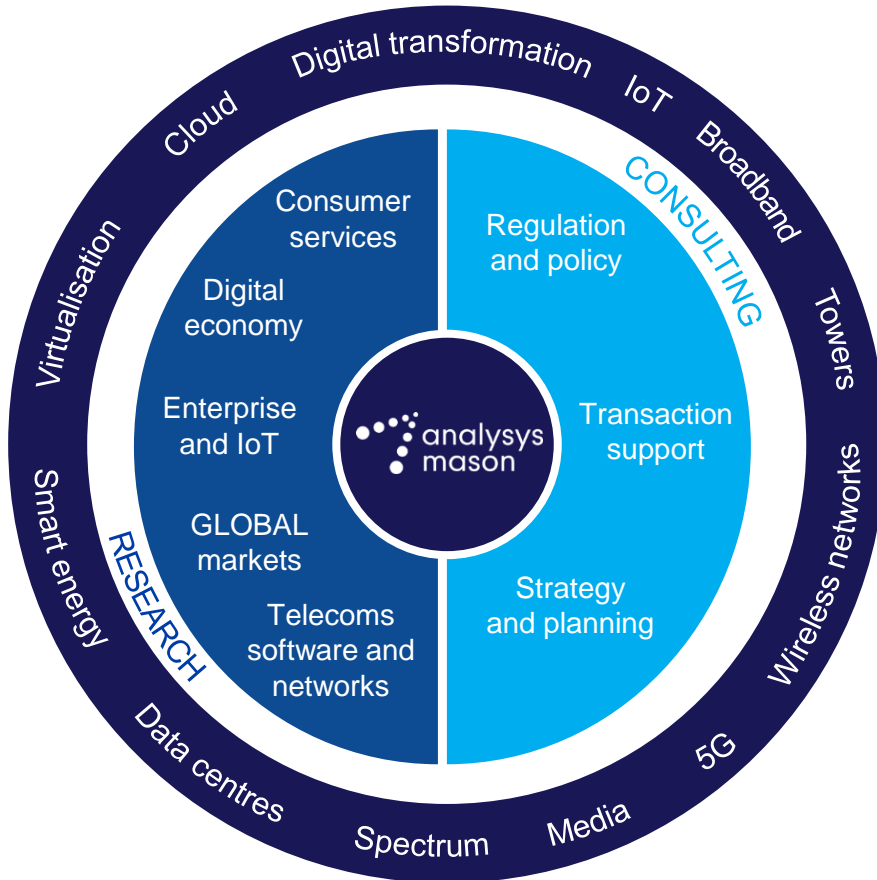


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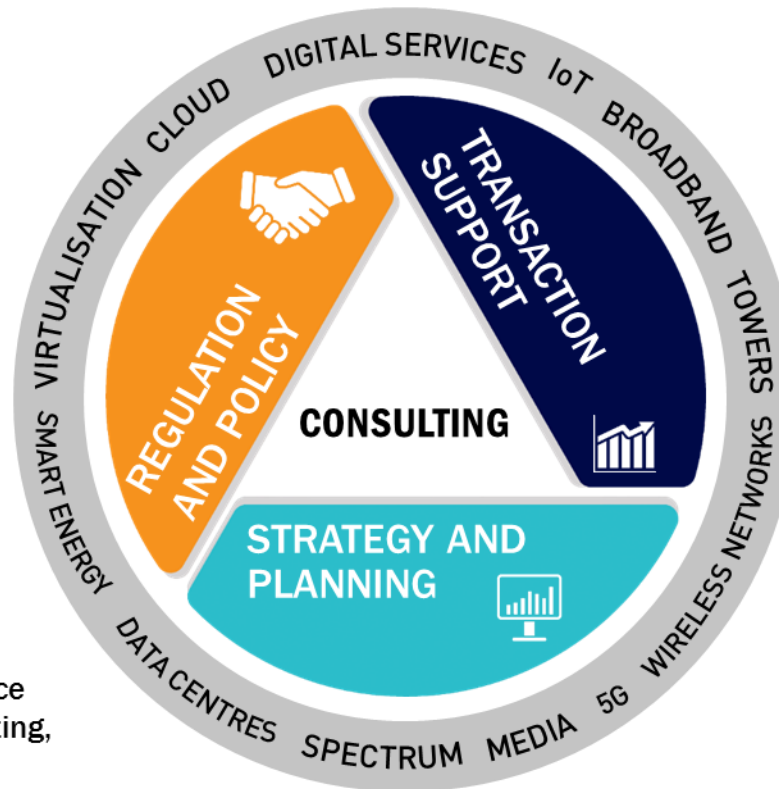
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