RESEARCH FORECAST REPORT

TELECOMS SERVICES FOR SMALL AND MEDIUM-SIZED ENTERPRISES: WORLDWIDE FORECAST 2017–2022

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analysysmason.com

About this report

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

It identifies that revenue from traditional voice and data services in many high-income regions is either stagnating or in decline, although there remains potential for growth in some emerging economies, particularly among micro enterprises.

The report also quantifies the growing market for other business services, such as security, co-location and hosting, and software-as-a-service (SaaS), which offer telecoms operators an opportunity to offset declining revenue streams.

It is based on several sources, including data from operators, national regulators, government agencies and other third parties, and from Analysys Mason's 2017 survey of enterprises' ICT usage.

WHO SHOULD READ THIS REPORT

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

REPORT COVERAGE

Geographical

Regions modelled:

- Western Europe
- Central and Eastern Europe
- Developed Asia-Pacific
- Emerging Asia-Pacific
- North America
- Latin America
- Middle East and North Africa
- Sub-Saharan Africa

Enterprise size

Segments:

- Micro (0–9 employees)
- Small (10–49 employees)
- Medium (50–249 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
- Colocation 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 the accompanying Excel file at www.analysysmason.com/SMEs-forecast2017-worldwide-RDMZ0.

[2] See service taxonomy in the Methodology section of this report.

Contents [1]

Contents [2]

List of figures [1]

List of figures [2]

List of figures [3]

Key other business services for telecoms operators include colocation and hosting, security and SaaS

Colocation and hosting, as well as security services, for SMEs will be important for telecoms operators, as both are large overall markets and ones in which operators are well placed to have significant market shares.

SaaS and IaaS are also large overall markets, but we do not expect operators to have more than about 5% of the total retail revenue generated from these services in 2022.

Operators are well placed to deliver private cloud solutions, enterprise mobility and unified communications, although these are relatively small markets.

Overall, we expect operators to account for 15% of the USD81.3 billion market for other business services by 2022.

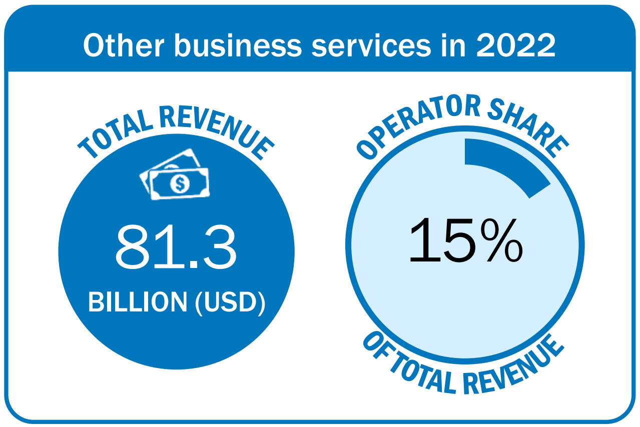
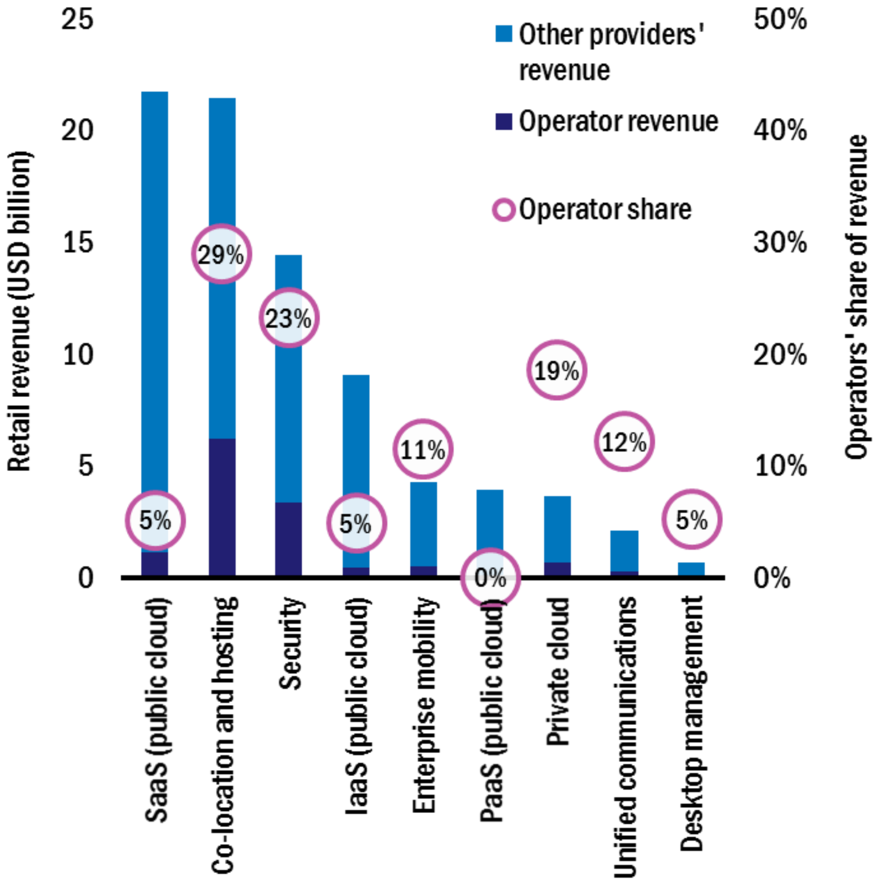


Figure 24: Other business services retail revenue from SMEs by service type and provider and operators' share of this revenue by service type, worldwide, 2022



Source: Analysys Mason

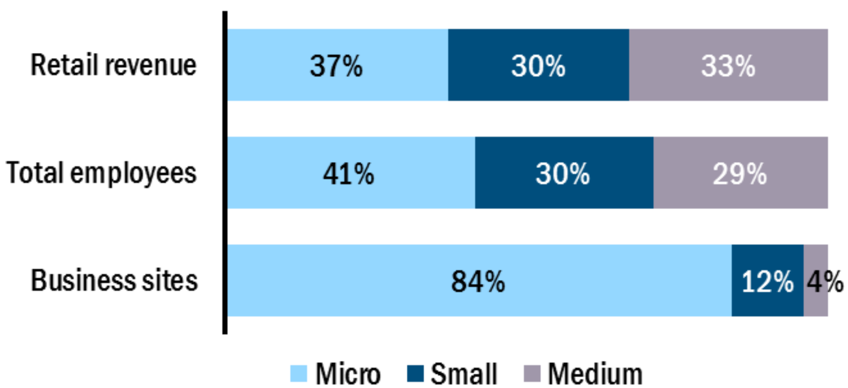
Developed Asia–Pacific [2]: Micro enterprises account for less revenue than in other regions, but will deliver most growth

DVAP

Micro enterprises account for a smaller share of SME revenue in developed-Asia Pacific than in Europe. This reflects the importance of mobile services, which tend to be spread fairly evenly by employee numbers. In contrast, fixed services are concentrated on micro enterprise, which account for the large majority of business sites.

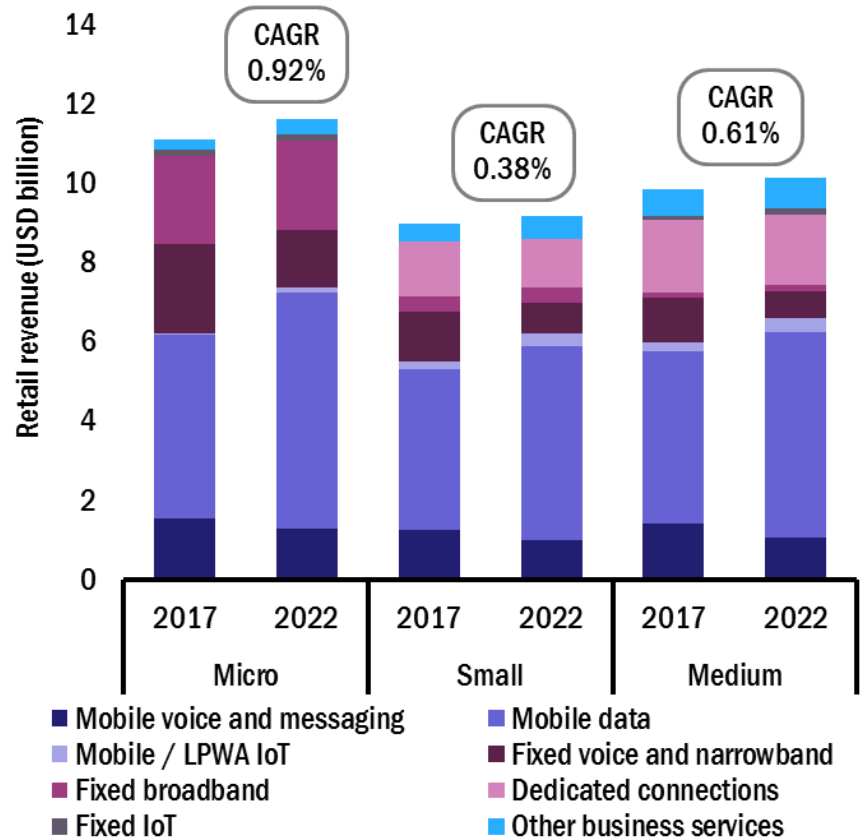
Growth in other business services revenue is more limited than in Europe (since penetration of these services is already high), although it is significant among micro enterprises, with revenue for this segment growing at 8.0% per annum compared with 2.7% for medium enterprises.

Figure 37: Percentages of business sites, total employees and retail revenue by enterprise size, developed Asia–Pacific, 2017



Source: Analysys Mason

Figure 38: Telecoms operators' retail revenue from SMEs by service type and enterprise size, developed Asia–Pacific, 2017 and 2022[1]



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 and details of currency conversions.

CONTENTS

About the author

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.

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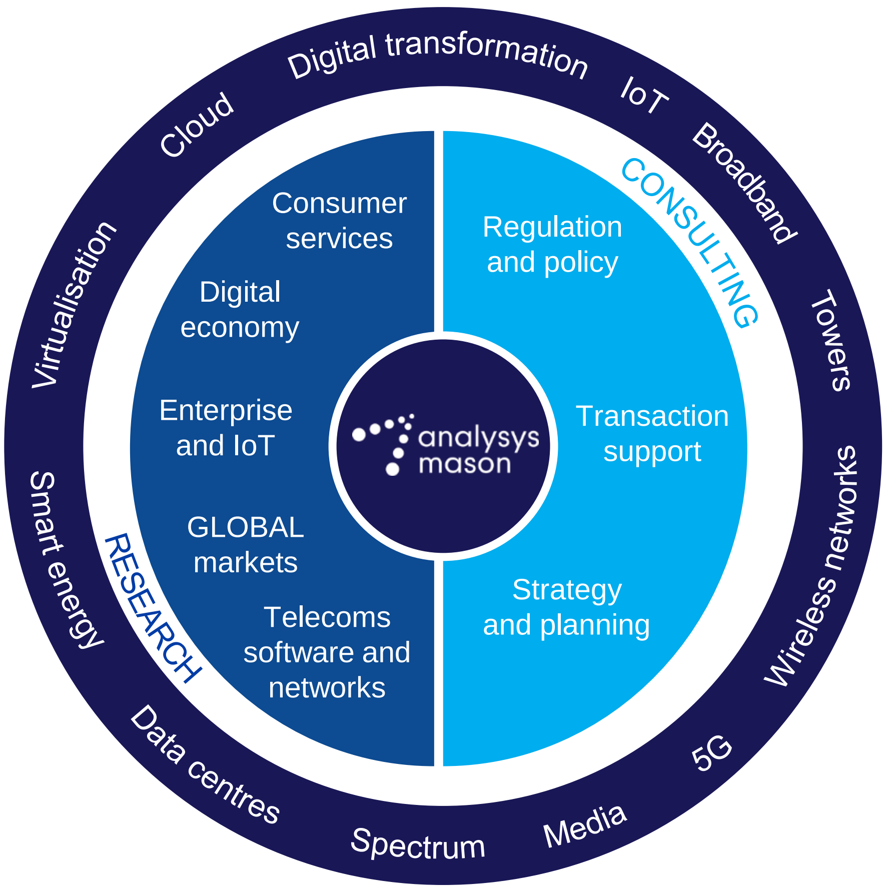

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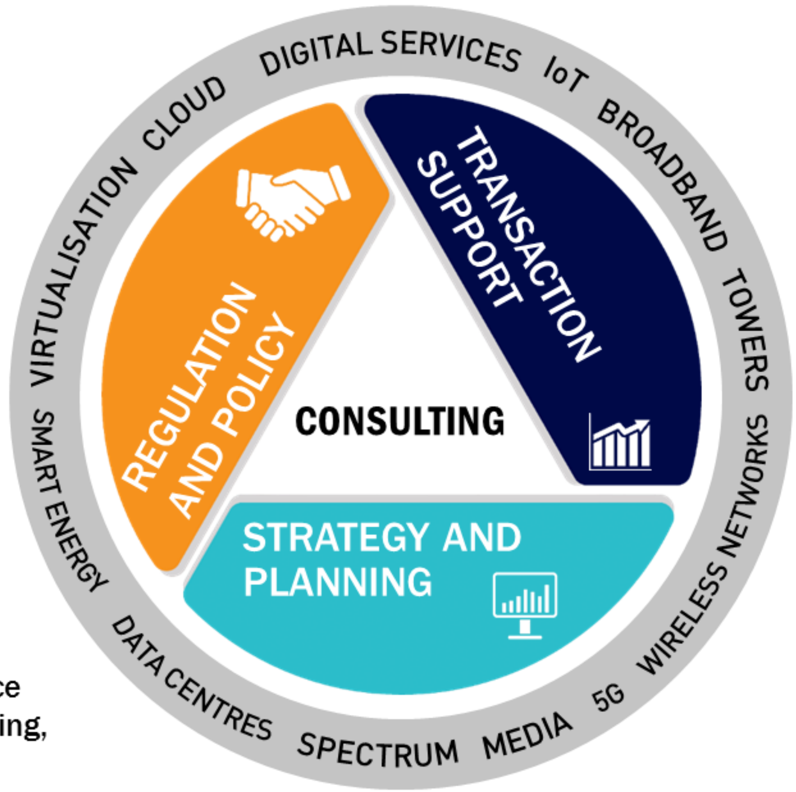

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