

# Consumer and business trends to watch in 2024: GenAI joins perennial topics such as pricing and consolidation

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Our research will continue to monitor the main trends in consumer and business services in the telecoms market.

## General trends

- **Market (de-)consolidation.** Several deals may close in 2024 (possibly with regulatory conditions attached) including [Vodafone/3 in the UK](#), Orange–Masmovil and the sale of Vodafone in Spain, and the possible sale or merger of Vodafone, sale of TIM’s network to KKR and WindTre potentially separating into network and service companies in Italy. Vodafone and Telefónica may sell stakes in their [IoT](#) and technology divisions, respectively. (Our [tracker of business-related M&A](#) provides details of mergers and acquisitions involving telecoms operators.) Any of these deals could herald significant changes in strategy.
- **Generative AI (GenAI).** We produced some major pieces on GenAI and telecoms operators in 2023 (see [link](#), [link](#) and [link](#)). We will continue to assess the impact of GenAI on services and operator strategies, and who will be the winners and losers in our different scenarios.
- **Operator growth strategies.** Operators are looking at ways of driving substantial revenue growth, beyond simple price rises. In the business market, the avenues to growth are perhaps clearer than in the consumer market – operators have invested heavily in expanding capabilities in security and cloud, two markets that are large, established and growing (if highly competitive) (see [link](#) and [link](#)). Extending these services to small and medium-sized enterprises (SMEs) will be a priority for many operators. Operators will continue to be interested in new networking opportunities ([network APIs](#), network slices, [edge](#) and [private networks](#)) even if demand is uncertain and may take years to emerge. In the consumer market, operators will persist with experiments in adjacent and not-so-adjacent services. We will produce our sixth [Operator growth strategies](#) report in 2024, plus the first version of a similar report focused on the business sector (a presentation on this topic is [here](#)). IoT remains an area of strong growth for many operators. This year we will return to the automotive topic and explore some new, emerging opportunities, such as satellite IoT.
- **New tariff plans.** Pricing plans are becoming interesting again. The more-for-more strategy has served operators well for around a decade (trying to charge more for a larger plan has at least defended revenue for most operators), but this approach is reaching the end of its useful life. ARPU for basic services is typically flat, [especially in the business market](#). Mobile plans often already include unlimited data while demand for fixed plans above 1Gbit/s may be limited. Operators need new ways of growing revenue (something that relatively high inflation only makes more urgent). We will explore what [operators can do with plans for business and consumer customers](#).
- **Fixed–mobile convergence (FMC).** FMC has been the default strategy for many operators, and the driver behind much of the in-market consolidation. The five big European markets each have two (or more) national converged operators. But many questions around FMC remain (for example, around approaches to gaining customers, [networking strategy](#) and [tariffs beyond the traditional discounting approach](#) to improve

margins). These continue to be the central topics for our *Fixed–Mobile Convergence* programme. We will also be looking at FMC for the business market; FMC penetration has been far lower in this market than in the consumer market.

## Consumer services trends

- **Disruption from digital-only players.** Digital-only MVNOs can have simpler operations and registration processes (helped by eSIMs), fewer legacy costs (no stores), and lower customer service costs (perhaps aided by GenAI). Several new roaming players have emerged (such as Airalo, which [raised USD60 million](#)), but surely roaming is only a start. We will look at these developments and how established players can respond.
- **Fixed-wireless access (FWA).** The US has shown 5G FWA technology can work at scale and that demand exists. The questions for 2024 will be around how far FWA can go (especially as the availability of fibre increases). We will continue to assess [whether FWA should be positioned as an alternative to low-speed fixed connections or whether it can be more than this](#).
- **Gaming.** Operators want to move beyond existing retail bundling strategies to explore the use of 5G SA and edge computing in enhancing gaming QoE, particularly cloud gaming. Operators will also explore the potential for immersive technologies (such as augmented reality (AR), mixed reality (MR), virtual reality (VR) or a blend of all of these (XR)) on entertainment and [gaming](#).

## Business services trends

- **Differentiation.** This is a perennial topic in telecoms but differentiation is especially important in the fixed business market, where competition can come in many forms – established business-focused operators, asset-light resellers, new altnets. We will revisit this in 2024. [Our previous research on this topic](#) was one of our most downloaded reports. Competition in the private networks market is also intense – players including operators, vendors, systems integrators and specialists private networks companies all have a reasonable claim in this market. We will build on our [battlecards](#) research in 2024 to highlight what best practice looks like.
- **Vertical solutions.** Businesses are increasingly looking for [end-to-end managed solutions](#). Operators cannot meet the complete needs of every business but they have an opportunity to grow revenue with propositions that target major verticals. We will explore and assess the size of the opportunity in some key areas (healthcare, retail) as well as in manufacturing, the biggest potential market for private networks.
- **Channel strategies.** Operators have diverse channels for the SME market and they need to limit costs but also respond to business need for [support and managed services](#). The future channels mix will include greater use of digital channels, but also continued working with indirect partners. We will explore what the best mix of different channels looks like in our [SME research](#).
- **Network APIs.** Operators will do more to explore the potential demand for [network APIs](#), moving beyond basic services such as SMS and device location to more interesting, and more valuable, products. Much work still needs to be done, but we expect this market and the initiatives behind it (Camara, Open Gateway) to develop rapidly in 2024.

As always, our research will be underpinned by [Analysys Mason's DataHub](#), our extensive database of forecast and actual data.