

Private networks battlecards: providers need clear lines of ‘attack’ to stand out in a crowded market

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The private LTE/5G networks market is increasingly crowded. No type of provider is strong across all the capabilities that buyers consider when choosing private networks. Providers have numerous opportunities to differentiate themselves in areas such as pricing models, track record and the ability to offer a packaged solution. Each type of provider needs to understand where it is strong relative to others, and use that as a ‘line of attack’, but also be honest about where it is weak and how to overcome these weaknesses.

This article is based on the findings in Analysys Mason’s private networks ‘battlecards’ reports. These reports provide an assessment of [service providers](#) and [technology providers](#) and their private network strategies. They provide details of each type of provider’s strengths, and how to promote them, and weaknesses, and how to mitigate them.

Service providers should highlight their strengths and point out the weaknesses of competitors’ propositions

Figure 1 outlines the main types of service provider group. Established network equipment providers (NEPs) such as Nokia and Ericsson were active in the market early, starting with private LTE a decade ago, and benefited from a first-mover advantage. Other service providers entered the market more recently but have their own differentiators to promote to private network buyers.

Figure 1: Summary of the main private network service provider groups

| Service provider group | Examples | Key strengths |
|--|--|---|
| Established network equipment provider | Ericsson, Huawei, Nokia | Track record Cellular network expertise |
| Specialist network providers | Citymesh, Edzcom, Vilicom | Flexibility Vertical expertise |
| Mobile network operators | Deutsche Telekom, Verizon, Vodafone | Cellular network expertise Existing customer base |
| Global systems integrators/managed service providers | Accenture, Tech Mahindra | Not locked into any single technology Geographical reach |
| Local systems integrators/managed service providers | Etteplan, QuayChain Technologies, Telent | Local market knowledge Support services |

Source: Analysys Mason

Buyers of private networks use several criteria to assess their choice of supplier. Service providers need to be aware of the areas in which they are strong relative to other providers and the areas in which they need to

improve. They also need to know how competitors rate when considered against each criterion and should use this information as lines of attack or defence when competing for contracts.

Some of these criteria are as follows.

- **Track record.** Even in this relatively new market, service providers need to demonstrate their experience. For providers with many commercial deployments, this is simple. Others need to promote the networks they are running (even if the networks are still in the trial phase) and the benefits realised by the end customer, and highlight how they are working with experienced partners.
- **Financial stability.** Private networks may be in place for as many as 5–10 years. Buyers want to be sure their service provider of choice will still be around for the duration of the contract.
- **Dedication to private networks.** In many cases, private networks are simply one part of a service provider's wider portfolio. Providers need to demonstrate that they are committed to the private networks market and willing to support customers with the various challenges that will arise along the way, if they are to be seen as credible, long-term suppliers.
- **Pricing models.** Buyers do not just consider the total cost of a private network but whether it is capex-heavy (high up-front cost) or opex-heavy (recurring cost spread out over time). Service providers need to tailor the pricing model to the customer. For instance, small and medium-sized enterprises may lack the resources to invest in purchasing equipment up-front and may prefer opex-based pricing.
- **Packaged solutions.** Enterprises would generally prefer to deal with as few suppliers as possible rather than having to source the elements of a private network (equipment, hardware, software) separately. Some providers (such as mobile network operators (MNOs)) are well-placed because they have existing relationships with providers across the value chain. Others need to forge partnerships to ensure they can offer a similarly complete solution.
- **Support services.** Many enterprises lack expertise in cellular technology and need support managing the network and dealing with network issues. Service providers that lack expertise in cellular networks need to partner with players that do.

The importance of each criterion will also vary according to the type of enterprise that is considering buying the private network. Firms with no prior experience of private networks or cellular technology will need more support than firms that already have some experience. Firms that are already experienced with private networks and IoT may need less hands-on support but may have additional requirements that the typical customer does not consider, such as integration between public and private networks. Adapting to the needs of each customer will be important and will require service providers to understand the weak points of their proposition and work towards mitigating these weaknesses.

The private networks market is already intensively competitive. Many service and technology providers see it as a growth market at a time when prospects for other product lines are poor. If a provider is to thrive, it needs to have a clear message as to why it is better than competitors and to highlight how and why competitors are weak. Currently, too many service providers have obvious weaknesses in their pitch that need addressing rapidly.