


GLOBAL MNO eSIM STUDY **2016**


A qualitative analysis of the upcoming eSIM era and
its impact on the telco industry based on 33 expert interviews


MS&C Global eSIM Study has shown that MNOs are aware of the eSIM's disruptive potential but have no clear view how to leverage it.


Selection of Key Findings

69% of respondents expect that **MNOs will face the most disadvantages** of all stakeholders 

93% of interview partners predict a need to **adjust the MNO business model strategy** 

65% of MNO experts anticipate a **decrease in customer loyalty**, compared to 33% of other experts 

54% of experts anticipate a **50% market penetration** of eSIM before **2022** 

#1 The demand for a **multi-device management solution** is the most mentioned **customer need** in the eSIM era is 

The full 46-page report contains:

- Results from 33 expert interviews, including solution approaches for upcoming challenges
- Evaluation and detailed analysis on the eSIM impact for all sector stakeholders
- MS&C Insights on the most essential findings
- An outlook on the needs and wishes for the eSIM era

In addition:

- Individual 30 minutes expert Q&A call

MS&C has conducted the largest eSIM Study so far. Exclusive insights and analysis visualization come with the full study report.

Samples from the Full Study Report



Up to the time of the study analysis, it remains an open question whether the agreed GSMA standard will be adopted by all stakeholders, especially at OEMs. This topic was discussed by some study participants alongside the study interviews.

Another hurdle is the security of eSIM. Related issues were mentioned as a challenge for the eSIM implementation by 22% of the respondents. Data transfer and eSIM profile activation over-the-air need to be handled as securely as possible. Therefore encrypting methods and adjustments in the backend software are necessary.

Additionally, some study participants named new processes in logistics and distribution as a hurdle that has to be overcome. Operational procedures need to be adjusted and new partnerships have to be established. Others mentioned also local laws and regulations as hurdles for the technical implementation. These kinds of answers were mainly observed by study participants from the Asian market.

Despite all these above-named challenges, 19% of the respondents did not see any or no eSIM specific hurdles at all. In other words, 81% of the interview partners mentioned at least one challenge regarding the technical implementation of eSIM. Besides that, the experts named open questions for which they have not found solutions yet.

MS&C insight

Implemented properly to leverage its benefits, the enabling of the eSIM affects major parts of the MNO's IT infrastructure. With 42% of respondents mentioning their IT infrastructure as hurdle it seems that the eSIM is not the reason but a causal trigger for an apparent, larger problem regarding legacy IT systems. Most systems are neither ready nor flexible enough to implement the eSIM without substantial changes and many traditional IT suppliers were not prepared to offer of the shell solutions.

Global MNO eSIM Study 19

93% | of interview partners predict a need to adjust the MNO business model strategy

The study participants expect a demand for a multi-device management solution in the future. 44% of the respondents mentioned this aspect, so it clearly is the most frequently mentioned point. The vision is simple: eSIM will trigger an increase in connectable devices and the handling will become more and more complicated. Therefore, experts could imagine that consumers will ask for more convenience (16%). MNOs should offer simple and more flexible solutions. In this case, satisfied customers will show more loyalty to their MNO.

The most mentioned solution proposal to secure customers' loyalty is to offer an own multi-device management tool. Such a platform is the central agent to manage connectivity. The study participants agree, that, there will be other players to provide such a platform if MNOs will not offer these solutions in-house. However, in this case MNOs would lose a very important touchpoint as well as another part of the customer relationship. However, also the MNO core products can be adapted to the eSIM era.

Experts expect MNOs to provide more flexible offerings. Unlimited contracts for several devices, very short-term data plans for promotion or innovative so-called try&buy offerings could simplify the customer experience and retain clients.

Another 19% of the experts forecast that consumers will expect a better quality of service. That could be a faster network connection or a better radio coverage. According to the study participants, the network quality will remain an important aspect for consumers to choose a MNO. Therefore it is important to continuously improve the quality standards and coverage.

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Get the Full Study Report

MS&C Global MNO eSIM Study

- Based on 33 expert interviews with participants from 20 countries
- 22 eSIM experts from MNOs & 11 eSIM experts with other backgrounds

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MS&C combines essential expertise of all relevant fields in digital transformation and has become a trusted partner in the telco industry for years.

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