

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

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



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



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



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 Global MNO eSIM Study 2016



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 all GEMs. This topic was discussed by some study participants alongside the

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

Additionally, some study participants named new processes in logistics and distribution as a hundle that has to be overcome. Operational procedures need to be adjusted and new partnerships have to be established. Others mentioned also local laws and negulations as hundles 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 hundles at all, in other words, 81% of the interview partners mentioned at least one challenge regarding the technical implementation of eSIM. Blesides that, the experts named open questions for which they have not found solutions yet.

M58C Insight.

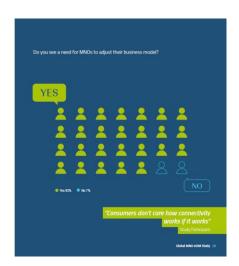
Implemental properly to learning in benefits, the restaining of the etital effects major parts of the MINOS IT interbutuber. With 42% of respondents mendioning their IT interstructure on harder it seems that the etital in not the reason but a causal trigger for an apparent, larger problem regarding trigger IT systems. Most systems are refiner mady not flootife enough to implement the etital without substantial changes and many tradtional IT supplies were not prepared to offer of the shall solutions.

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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 flavible solutions. In this case, satisfied customers will show more invalty 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 he other players in provide such a platform if MNOs will not offer those 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. Unified 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

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- 22 eSIM experts from MNOs &
 11 eSIM experts with other backgrounds

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