
PwC view

Five trends to watch in telecom during 2015



Revisiting our forecast of key telecom trends of 2014: Hits and misses

Five trends that we had predicted for Indian telecom in 2014

Were we right?

Where do we stand now?

#01

Data consumption to grow across 2G, 3G, fixed broadband and 4G



In 2014, after the value destructing phase on hypercompetition, Indian telecom executives and investors were pleased with the scenario. Sector revenue grew, driven mainly by almost 100% growth of data revenues. Share of data revenues increased from 5 to 6% in 2013 to almost 12 to 13% in 2014 for all leading players.

#02

Year of the SMAC (social media, mobility, analytics and cloud)



Outside of the US, Indians became the biggest followers of Facebook, Whatsapp and Twitter and specifically on mobile. Indian enterprises and SMEs are adopting cloud-based services to increase the quality and reach of their offerings. E-tailers became the first large business segment to exploit consumer analytics.

#03

Put the money where the network is



Operators started to accelerate their capital investment by investing in long neglected telecom networks. Driven by re-arranging of spectrum due to re-farming and allocation of additional spectrum through auction and supported by the comfort of revenue growth due to mobile data take-ups, network investment continued to remain significant for leading players during the year.

#04

Regulatory mist to lift



We have to wait a little longer. The change of guard at the centre has not helped so far but we remain optimistic in 2015.

#05

Game of circles



We were ambitious and it was more of a wish!

2015 Top Wish

*Regulatory roadmap on key pending issues
so that trust and confidence in the sector is
restored for all stakeholders.*



Telecom in 2015

Our forecast of key trends

#01

LTE to become mainstream in India as well: In 2015, we will witness multiple Indian players launching 4G on a more efficient 1800 MHz spectrum . Indian subscribers will adopt 4G wholeheartedly to satiate their need for mobile data. We expect 4G LTE subscribers to reach 10 million to 15 million by December 2015 driven by competitive pricing, superior network experience and affordable smartphones.

#02

Public wi-fi as a bigger phenomenon; wired broadband to remain work-in-progress: India will see a significant spurt in wi-fi hotspots driven by both the government 'smart cities' and 'digital India' as well as private sector initiatives. However, wired broadband for retail consumers is likely to remain work-in-progress by the end of 2015.

#03

Wearables in healthy lifestyle space and security apps for smartphones: In the wearables space, Indian consumers have shown most interest in buying fitness monitors (80%), smart watches (76%) and internet-enabled eyeglasses (74%). Price points are expected to go down with Chinese and local manufacturing. Increasing penetration of smartphones and their ability to carry confidential subscriber data will be a significant driver for traction in security applications for smartphones.

#04

Unconventional data monetisation options to appear: Given the steadily increasing divergence between data revenues and cost, a trend that will likely sharpen in 2015, mobile companies will start looking at unconventional monetisation options. These will strengthen internal capabilities to offer differentiated network experience ('smart pipes'), as well as harness the extended ecosystem including OTT plays.

#05

Intense competition foreseen in the telecom industry due to delayed M&A activities: Current M&A guidelines have not been able to stimulate any consolidation in the sector despite all policymakers expressing the need for it. With new network launches expected in 2015, the rapidly growing data market will witness intense price competition and will rekindle memories of 2010 voice-led price wars.

*If you would like to discuss our findings further,
please contact our leaders:*



Arpita Pal Agrawal

Telecom Leader, PwC India

+91 11 3306003

arpita.p.agrawal@in.pwc.com



Ashish Sharma

Telecom Leader, Consulting

+ 91 124 499 8700

sharma.ashish@strategyand.pwc.com



Sandeep Chaufla

Telecom Leader, Tax

+91 124 330 6506

sandeep.chaufla@in.pwc.com

pwc.in

Data Classification: DC0

This publication does not constitute professional advice. The information in this publication has been obtained or derived from sources believed by PricewaterhouseCoopers Private Limited (PwCPL) to be reliable but PwCPL does not represent that this information is accurate or complete. Any opinions or estimates contained in this publication represent the judgment of PwCPL at this time and are subject to change without notice. Readers of this publication are advised to seek their own professional advice before taking any course of action or decision, for which they are entirely responsible, based on the contents of this publication. PwCPL neither accepts or assumes any responsibility or liability to any reader of this publication in respect of the information contained within it or for any decisions readers may take or decide not to or fail to take.

© 2014 PricewaterhouseCoopers Private Limited. All rights reserved. In this document, "PwC" refers to PricewaterhouseCoopers Private Limited (a limited liability company in India having Corporate Identity Number or CIN : U74140WB1983PTC036093), which is a member firm of PricewaterhouseCoopers International Limited (PwCIL), each member firm of which is a separate legal entity.

PD 297 - December 2014 Telecom trends.indd.
Designed by Corporate Communications, India