CSPs have a radical shift in mindset: They are embracing eSIM, now

CSPS RAPIDLY DEPLOY OF ESIM FOR CONSUMER AND ENTERPRISE DEVICES

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A truly global eSIM study and the most comprehensive ever performed

UNDERSTANDING THE PROSPECTS FOR ESIM IS NOT EASY. SOME SAY IT'S HYPE, SOME THINK IT'S A TSUNAMI ON ITS WAY. THIS IS WHY OMDIA EMBARKED ON THE MOST EXTENSIVE STUDY EVER UNDERTAKEN ON THE SUBJECT.

We reviewed every single communications service provider (CSP) on earth, looked at all eSIM launches, surveyed and performed in-depth interviews with 80+ CSPs, reviewed the portfolio of eSIM devices available by any consumer original equipment manufacturer (OEM), and extensively dug into Omdia's existing expertise and forecasts for smartphones, companion devices, and connectivity.

The aim: to gain a deep understating of CSPs' plans and attitudes towards eSIM and to gain insights into who will influence the introduction of eSIM within CSPs and how, when, and why it will be introduced. What are the challenges and the risks? What jobs need to be done? What are the rewards?

eSIM is not a simple "do" or "don't do" project for CSPs. Many of the subtleties of implementing eSIM are in the "how" to do it: Digital QR codes or self-care apps? For consumer or enterprise? Smartphones or companion devices – or something else? In-house development, vendor-agnostic, or hosted solution?

The result is a clear picture: CSPs have had a complete shift in mindset, and they now think that eSIM is good for business because they want to be digital. What they need is a vast amount of business and IT orchestration, inside and outside their organization.

A complete shift in mindset: CSPs now like eSIM

The first remarkable finding in this piece of research is the complete shift in mindset by CSPs. In the space of a few years they have moved from antagonizing the technology to wanting to embrace and accelerate its adoption.

As eSIM started to approach the consumer market in 2016, CSPs became increasingly concerned about the possible strategic consequences of eSIM and the risk of being sidelined by tech giants. However, after a few years of experience, the overwhelming majority of CSPs now believe that eSIM has a positive role to play in their business.

There are two main areas that are viewed favorably by CSPs in relation to eSIM
CSPs believe that not only will eSIM help them generate incremental ARPU, it will also improve customer experience in terms of the connectivity in new devices.

Becoming digital players
The willingness to become "more of a digital player and less of an old-fashioned company" is a recurring theme throughout the research. CSPs see eSIM as an integral part of their digital transformation journey and have a clear objective: digital first in everything they do.

eSIM will increase ARPU and improve customer experience, according to CSPs
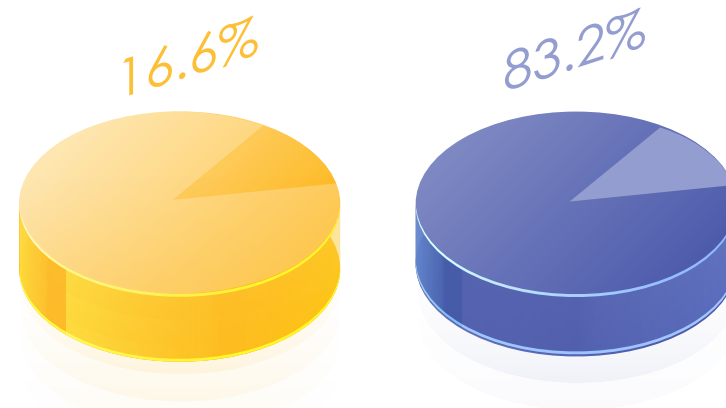
16.6%

83.2%

Figure 1: 83.2% of CSPS think eSIM is good for business

How do you believe eSIM will impact your business?
NOTE: N=80
SOURCE: OMDIA ESIM SURVEY 2020 | © 2020 OMDIA

- Positively (83.2%)
- Negatively (16.6%)

Different opinions, one goal: going digital with eSIM

Within CSP organizations, we often record contrasting views when it comes to adoption of new technologies or processes. eSIM is an exception: we surveyed different stakeholders ranging from VPs in marketing and proposition for both consumers and enterprise, heads of device businesses, network architects, IT professionals, and strategists – they all concur about the need to digitize customer processes and increase the number of connected devices, and they think that eSIM will help to achieve those aims.

There are differences in the way the different groups of stakeholders want to implement eSIM
While digital first remains one of the strongest motivations for CSPs to adopt eSIM, individual stakeholders have different views about how to adopt the solutions, what the challenges are, and generally what jobs need to be done.

The need for customer education
Among the challenges that CSPs want to overcome when taking eSIM to mass market is customer education. Overall,

CSPs are conscious that many customers are familiar with the plastic SIM card that they have always used and with the fact that the current user experience of eSIM is not as smooth at that of purchasing a new SIM card.

The journey – QR code or App-based?
Some CSPs are critical of journeys that are reliant on QR codes and believe that the future of eSIM resides in app-based journeys for a completely dematerialized experience.

Different opinions, one goal:
going digital with eSIM

PERSONA 1:

Consumer Proposition or Marketing – VP, Head of, Director, Manager

- eSIM impact: (64%) Positive – we can connect more devices and generate more ARPU
- Jobs to be done: Manage a simple and unified user experience
- How to do it: (67%) Offer eSIM management as part of our carrier application
- Perfect eSIM solution for the long term: (71%) A platform that supports all devices (smartphones, companion devices, other devices)
- Challenges: (57%) Consumer education (no longer an easy-to-use/understand plastic SIM)
- Processes you will enable to support eSIM: (50%) Digital QR codes, (50%) digital in-app (service provider branded, AKA carrier app)

PERSONA 2:

VP, Head of, Director, Manager

- eSIM impact: Positive – we can connect more devices and generate more ARPU, (50%) Positive – we can improve customer experience
- Jobs to be done: (58%) Integration to BSS and network
- Perfect eSIM solution for the long term: (58%) Cloud-based platform
- Processes you will enable to support eSIM: (58%) Digital in-app (OEM apps – e.g., Apple and Samsung)
- Challenges: (50%) ROI, (50%) lack of attention from the leading device OEMs

PERSONA 3:

Enterprise Proposition or Marketing – VP, Head of, Director, Manager

- eSIM impact: (58%) Positive – we can connect more devices and generate more ARPU
- Jobs to be done: (42%) Integration to device OEMs
- Perfect eSIM solution for the long term: (42%) Cloud-based platform
- Processes you will enable to support eSIM: (58%) Digital in-app (OEM apps – e.g., Apple and Samsung)
- Challenges: (33%) Consumer education (no longer an easy-to-use/understand plastic SIM), (33%) time to market

Different opinions, one goal: going digital with eSIM

PERSONA 4:

IT Systems - Architect, Engineer, Strategy - VP, Head of, Director, Manager

- eSIM impact: (48%) Positive – we can improve customer experience
- Jobs to be done: (48%) Offer eSIM management as part of our carrier application
- Perfect eSIM solution for the long term: Future ready – any future line of business, device, or channel
- Processes you will enable to support eSIM: (63%) Digital in-app (OEM apps – e.g., Apple and Samsung)
- Challenges: (48%) The current customer experience is poor/cumbersome

PERSONA 5:

Network – Architect, Engineer, Strategy - VP, Head of, Director, Manager

- eSIM impact: Positive – we can connect more devices and generate more ARPU
- Jobs to be done: (55%) Integration to device OEMs
- Perfect eSIM solution for the long term: (64%) Cloud-based platform
- Processes you will enable to support eSIM: (73%) Digital in-app (OEM apps – e.g., Apple and Samsung)
- Challenges: (55%) Time to market leading device OEMs

PERSONA 6:

Strategy – Corporate and Product - VP, Head of, Director, Manager

- eSIM impact: (50%) Positive – we can connect more devices and generate more ARPU
- Jobs to be done: (50%) Manage a simple and unified user experience
- Perfect eSIM solution for the long term: A platform that supports all devices (smartphones, companion devices, other devices)
- Processes you will enable to support eSIM: (88%) Digital QR code, (50%) digital in-app (OEM apps – e.g., Apple and Samsung)

CSPs are now overwhelmingly embracing eSIM

THE MAJORITY OF CSPS INTEND TO OFFER ESIM TO THEIR CUSTOMERS WITHIN TWO YEARS

Until recently, CSPs have commented that customers are generally unaware of eSIM and those customers who have knowledge of eSIM are not explicitly asking for it to be available to them. But since the introduction of eSIM in companion devices such as smart watches, and since the eSIM debut on Google Pixel at the end of 2017 and Apple's iPhone at the end of 2018, the feature has become a recurrent request from an increasingly large segment of the customer base. Such demand pressure is matched by CSPs' desire to digitize their channel, with the result that eSIM is now perceived as a must have, and the majority of CSPs are actively working towards its introduction.

CSPs are no longer debating whether to do it or not, the market has moved on.

The question is now how and when to launch it.

44%
Less than two years

21%
Already launched

22%
Undecided

13%
Long-term

- Less than two years (44.0%)
- Undecided (21%)
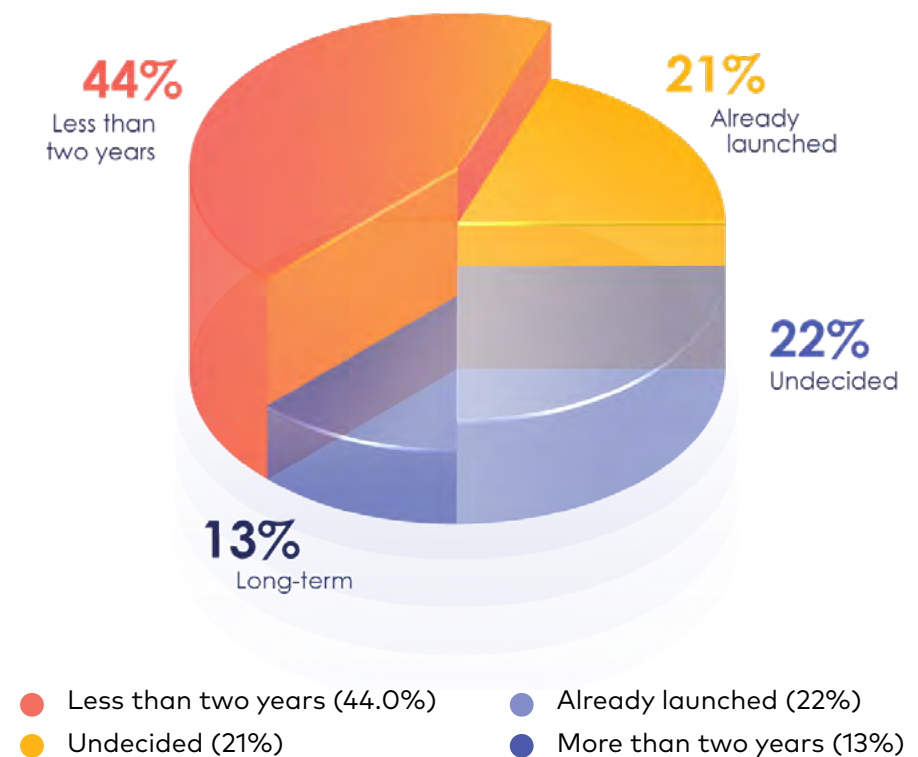- Already launched (22%)
- More than two years (13%)

Figure 4: 78.6% of CSPs are planning to introduce eSIM within two years

When does your company plan to introduce eSIM?

CSPs are moving rapidly toward eSIM

WORK IS UNDERWAY TO LAUNCH ESIM WITHIN THE NEXT TWO YEARS

There are several proof-of-concept (POC) activities and trials underway (44% of respondents), and those operators that have not yet tested the technology are planning to do so in the coming years (26% of respondents).
In total, 70% of service providers worldwide are making preparations to introduce eSIM, meaning that in the next two years we can expect the solution to become mass market.

CSPs' mindset has shifted. They are now actively working on eSIM rather than obstructing it or waiting to see what happens.
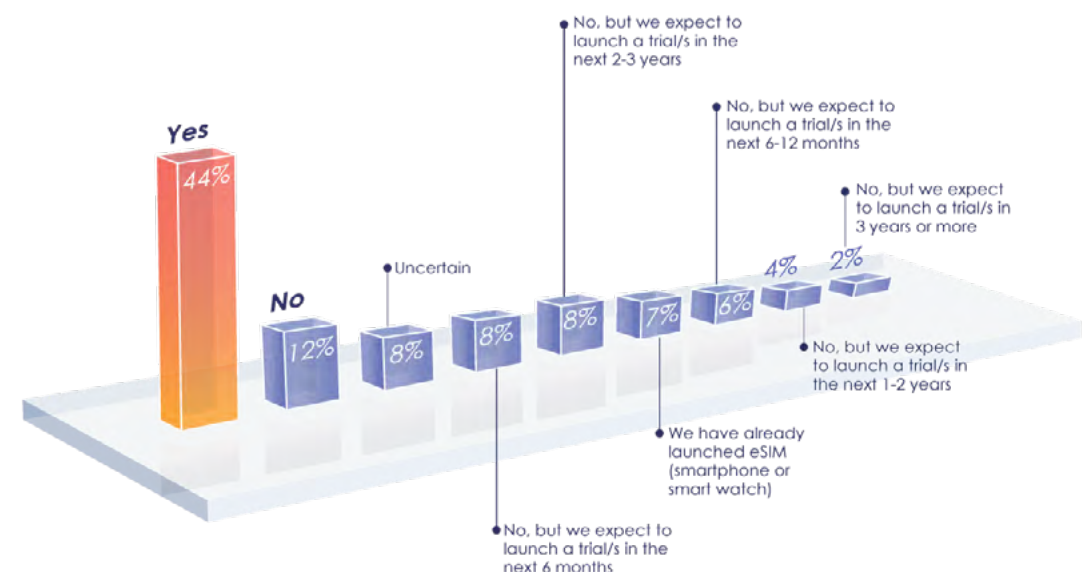

Figure 5: 44% of CSPs have already conducted POC or eSIM trials; an additional 26% will do so in the coming years

Have you conducted proof of concept (POC) or trials for eSIM?

CSPs will enhance enterprise mobility services with eSIM for both large enterprises and SMEs.

CSPs want to use eSIM for enterprises, not just consumers

CSPS WANT TO USE ESIM FOR ENTERPRISES, NOT JUST CONSUMERS

Business connections represent another expanding segment for eSIM deployments in both small and medium-sized enterprise (SME) and large enterprise segments. While some of the rationale for wanting to introduce eSIM for SME is similar to the consumer opportunity – more connected devices – the large enterprise segment presents additional use cases and drivers to adoption.

One of the most important drivers is related to the logistics of handling plastic SIM cards.

CSPs believe that they can provide enterprises with a more efficient way to manage corporate connectivity.

For instance, a large organization could replace SIM cards remotely without the need to recall hundreds – or

CSPS will enhance enterprise mobility services with eSIM for both large enterprises and SMEs.

thousands – of smartphones to a physical location for plastic SIMs to be replaced by IT personnel. Also, eSIM can be part of "bring your own device" (BYOD) in cases where the employee wants to use the traditional SIM slot for their private connectivity and the eSIM for the corporate line.

Improved security is an additional feature that can be handed to large enterprises

SIM-based authentication and IT policy can be better enforced in comparison to Wi-Fi based connectivity.

Figure 6: More than 50% of CSPs will introduce eSIM for large enterprise and SME smartphones

Smartphones: If you are planning to introduce eSIM for smartphones, for what type of customer will you introduce it?

Consumers (private) — 68%
Large enterprises — 54%
Social and medium enterprises — 52%
No plan — 6%
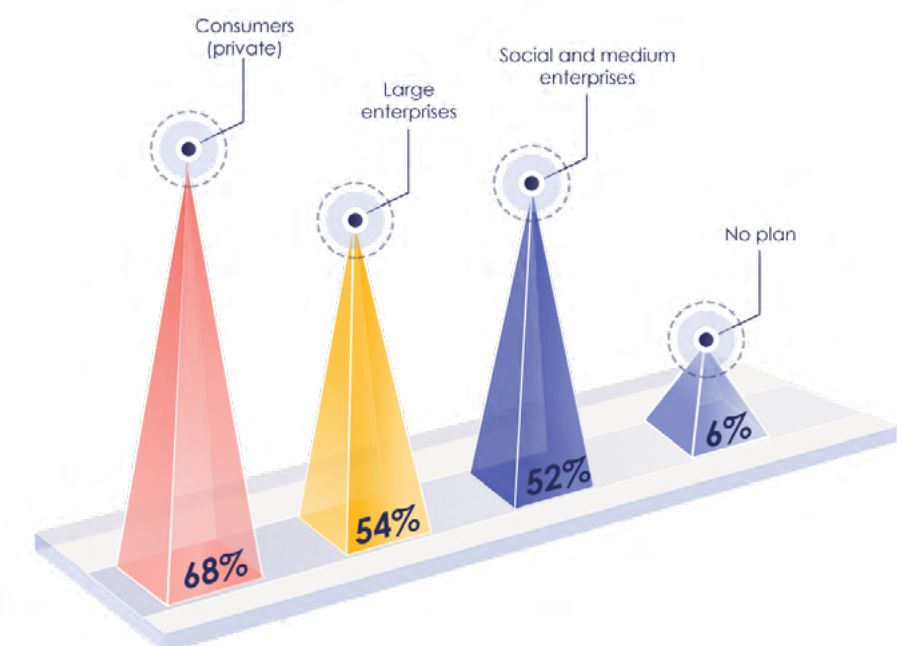
CSPs want to use eSIM for laptops, tablets, and companion devices, not just smartphones

Connected laptops and tablets with eSIM represent a net new revenue opportunity

Today, the revenue from connected laptops and tablet devices is a relatively small market for CSPs, mainly because these devices are sold outside CSPs' sales channels. Retrofitting connectivity for these devices with traditional SIM cards is a difficult task for CSPs, simply because CSPs do not have a touchpoint with customers at the time of purchase.

But an increasing number of CSPs believe that with remote provisioning they can reach and sell connectivity to these customers without the need to enter into lengthy, and often difficult-to-manage, relationships with third-party sales channels. At the same time, CSPS are aware that the number of OEMs supporting eSIM is increasing and now includes many of the most popular consumer and enterprise brands such as Acer, Asus, Lenovo, and Microsoft's Surface.

57%
of CSPs will support tablets and laptops with eSIM.

Figure 7: Laptops and tablets will have eSIM support from the majority of CSPs

Tablets and laptops: If you are planning to introduce eSIM for tablets and laptops, for what type of customer will you introduce it?

Consumers (private) — 58%
Social and medium enterprises — 56%
Large enterprises — 46%
No plan — 13%
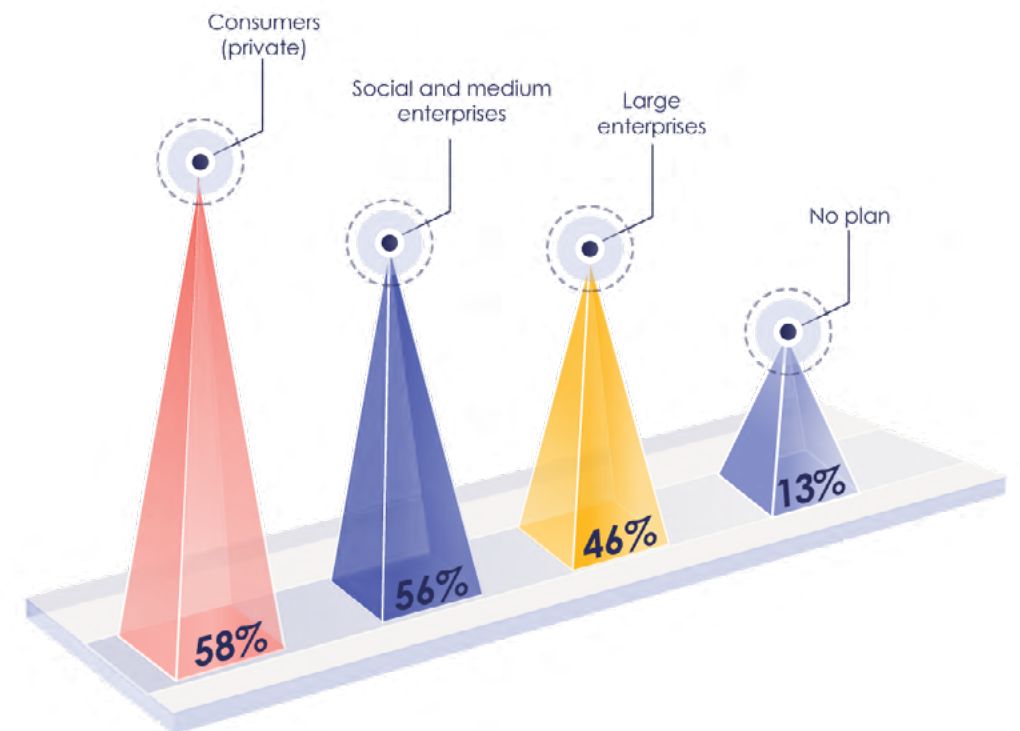
Bicycles, cars, and consumer and business IoT devices will be connected with eSIM

CSPs are even more assertive in promoting eSIM when it comes to utilizing the solution for Internet of Things (IoT) devices for both consumer and large enterprise deployments.

The aim is twofold:

For consumers, CSPs envisage a world in which their customers can simply add or swap additional devices to their existing service plan or remove them from the plan. And by doing this, CSPs also want to create an account-centric rather than smartphone-centric multidevice environment, which includes IoT subscriptions. More devices will translate into additional ARPU but will also have the benefit of increasing stickiness and reducing churn.

For large enterprise IoT deployments, eSIM benefits from a slightly different rationale. CSPs admit that there is more substantial demand-side pressure from enterprise customers to manage connectivity without the need to ever access the devices in the field in either sales or post-sales scenarios. In this case, CPSs feel that they are, to an extent, fulfilling a customer request rather than assertively pursuing an opportunity.

> *CSPs envisage a multidevice world with eSIM. The more devices, the higher the ARPU.*
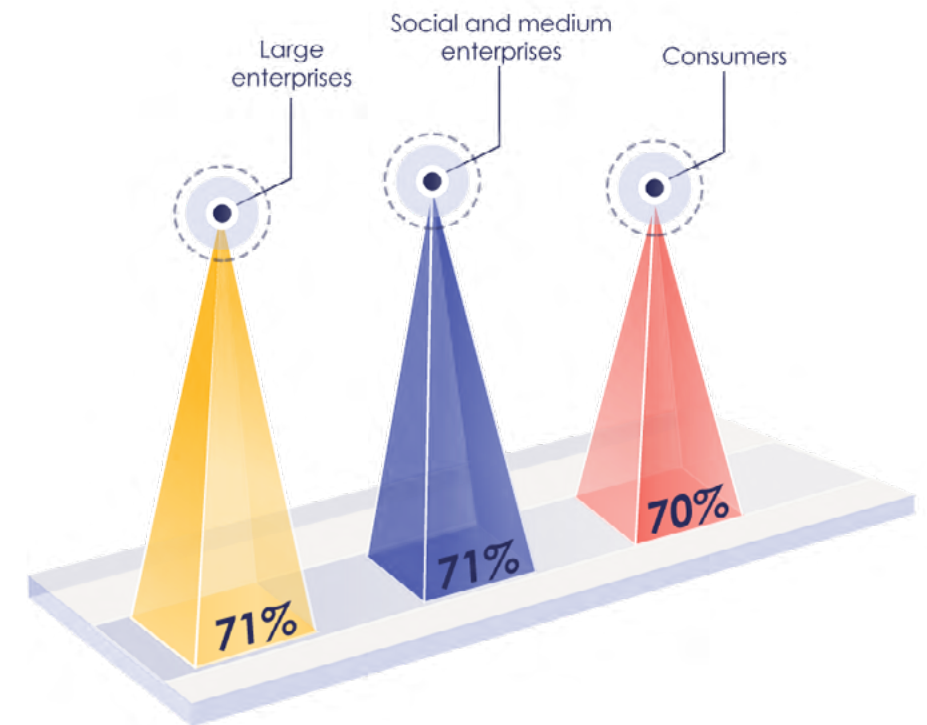

Figure 8: eSIM will enable connectivity for a multitude of consumer and enterprise devices according to 70% of CSPs

Other devices (car, bicycle, pet tracker...)

Most importantly, eSIM will improve customer lifetime management for the consumer business.

This is even more important than increasing ARPU, according to CSPs.

Consumer business: eSIM will improve customer digital journeys

Customer experience is an area in which CSPs are not excelling. CSPs are aware that, when looking for examples of excellence in digital journeys, they need to look outside the traditional telecoms domain (i.e. OTTs) and learn about the delivery and management of digital subscription services from companies that are digital natives by nature.

Connectivity supports the fulfilment of every single digital service. Still, connectivity itself is a digital service that cannot be established online, not until eSIM becomes the default mechanism to activate and manage connectivity remotely.

CSPs now realize that eSIM is the missing piece of the digital journey puzzle, that eSIM is the only currently available solution that could potentially deliver connectivity services to customers with one click, just as many other digital services work. Other use cases or benefits that eSIM can introduce, including the potential of creating an ARPU-boosting multidevice environment, are secondary to the ease of connection.

Most importantly, eSIM will improve customer lifetime management for the consumer business. This is even more important than increasing ARPU, according to CSPs.

Improve user experience — 30% 24%

Simplify customer journeys — 29% 8%

Connect additional multiple devices easily — 20% 21%

Increase savings (e.g., roaming) — 10% 23%

Find better mobile coverage — 8% 2%

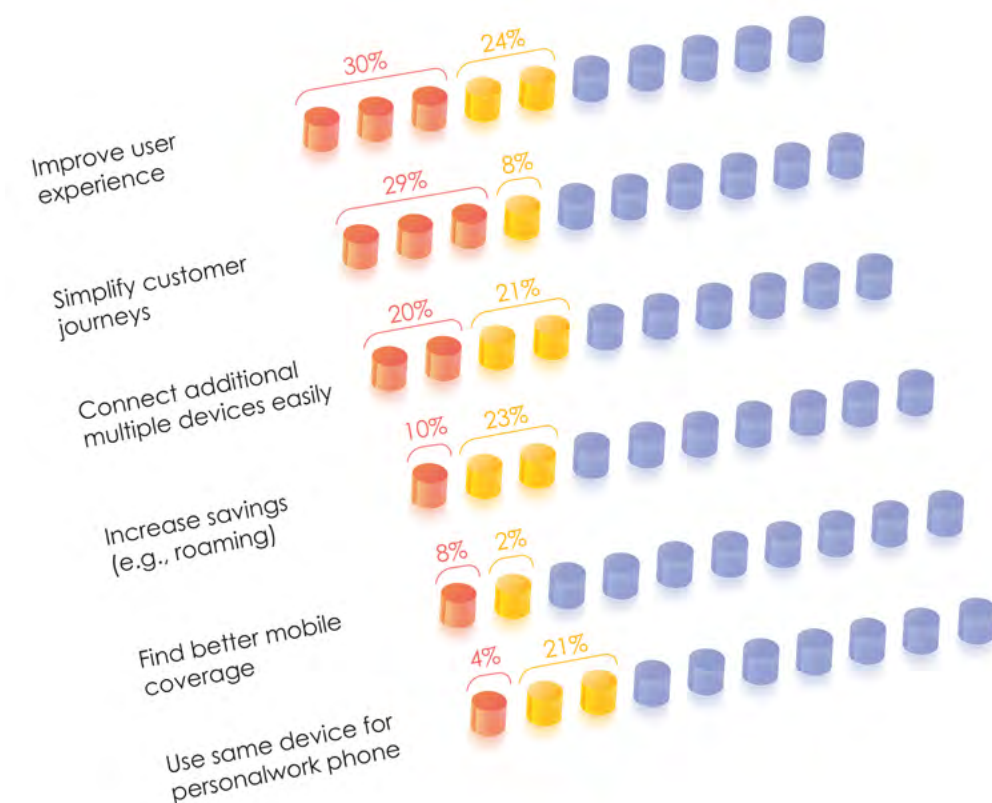Use same device for personal/work phone — 4% 21%

Figure 9: What benefits will eSIM introduce to consumers (private customers)?

Enterprise business: eSIM will simplify user experience and logistics

The self-serve aspect is particularly crucial for CSPs
For years, CSPs have gradually, but slowly educated customers and promoted the adoption and use of self-serve applications. eSIM will further enhance the value of self-serve and enable customers to manage connectivity in the same way they handle all other digital services they subscribe to.

Helping enterprise customers improve their logistics
For the enterprise customer segment, in addition to improving customer experience, CSPs believe that they could use remote provisioning to help enterprise customers improve their own logistics by simplifying distribution of devices and employee connectivity management, and they could also use eSIM assist in the management of the inventory of devices. Such

an aspect is relevant for personal devices such as smartphones, tablets, and laptops, but it becomes even more important when the simplification of the logistics concerns the management of IoT devices.
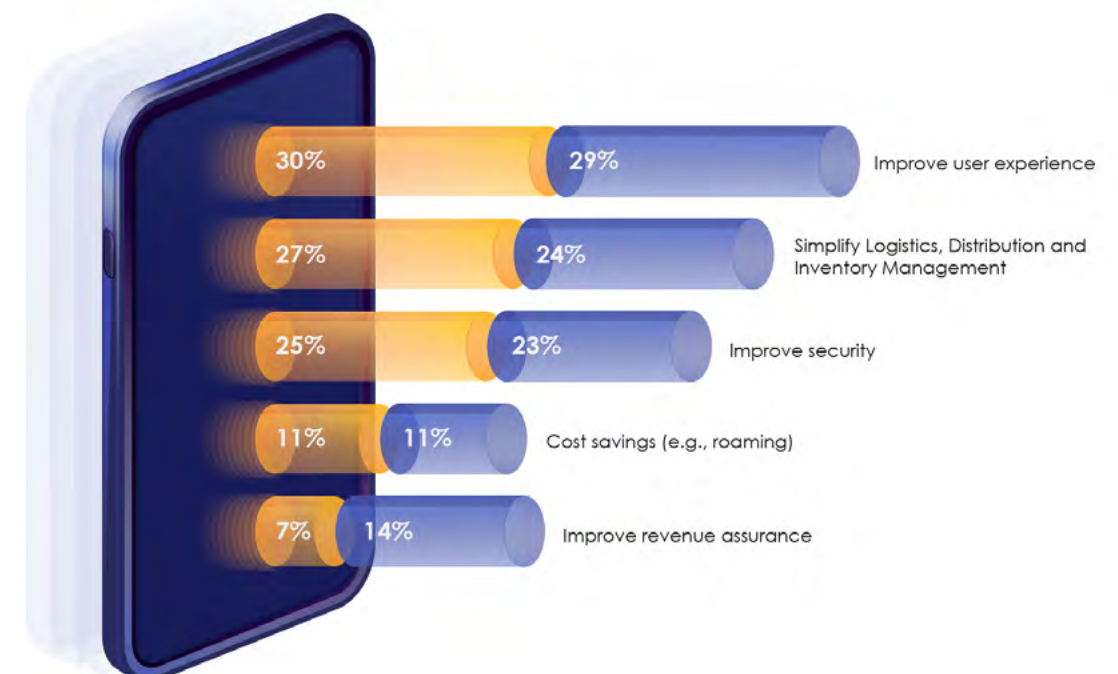
For the enterprise business, eSIM will also improve logistics and security, not just customer experience.

Figure 10: What benefits will eSIM introduce to enterprise customers?

● Rank 1
● Rank 2

NOTE: N=80
SOURCE: OMDIA ESIM SURVEY 2020 | © 2020 OMDIA

	Rank 1	Rank 2	
Improve user experience	30%	29%	
Simplify Logistics, Distribution and Inventory Management	27%	24%	
Improve security	25%	23%	
Cost savings (e.g., roaming)	11%	11%	
Improve revenue assurance	7%	14%	

After a full examination of all considerations, CSPs feel overwhelmed and the inevitable question of "outsource or develop in-house?" is raised.

Now that CSPs are ready, how will they implement eSIM?

With the overarching ambition of improving user experience while also increasing revenue opportunities, it is not surprising that the list of jobs to be done by CSPs is quite a lengthy one. This is not only because eSIM requires a change in legacy IT operations; a customer-first and digital-first approach to eSIM will also require changes in the business process and will eventually have a broader organizational impact.

There are several tasks that CSPs feel they need to perform. Firstly, they need to be able to establish business and commercial relationships with all relevant OEMs, integrate their IT systems with those of the eSIM vendors, and allow end users to manage their subscriptions within the carrier's self-serve apps. And the list goes on to include OSS/BSS integration, provision of support from all channels, and re-orchestration of business processes. **After a full examination of all considerations, CSPs feel overwhelmed and the inevitable question of "outsource or develop in-house?" is raised.**

CSPs recognize that there is a lot of work to be done in order to make the best out of eSIM. Integrating with OEM and SIM vendors and offering a unified and simple user experience within the carrier app are their top priorities.
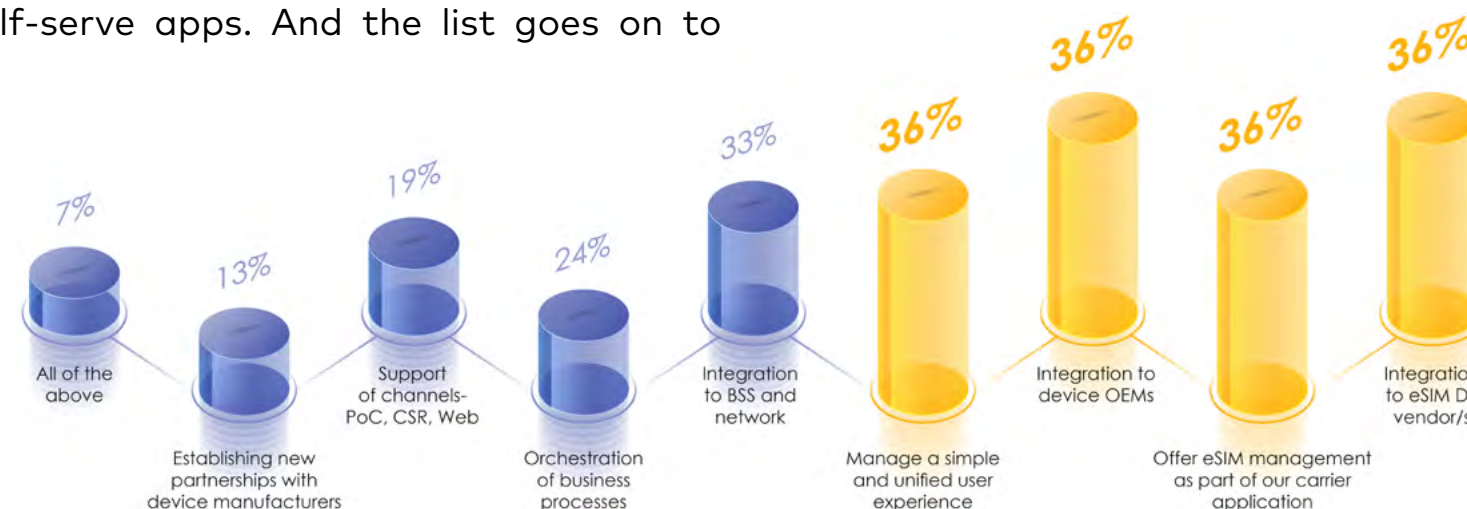

7%	13%	19%	24%	33%	36%	36%	36%
All of the above	Establishing new partnerships with device manufacturers	Support of channels- PoC, CSR, Web	Orchestration of business processes	Integration to BSS and network	Manage a simple and unified user experience	Offer eSIM management as part of our carrier application	Integration to eSIM D6 vendor/s

Figure 11: A multitude of jobs to be done but a single goal: enhancing the user experience
What in your view are the "jobs to be done" when adopting eSIM?

NOTE: N=80; MULTIPLE RESPONSE QUESTION SOURCE: OMDIA ESIM SURVEY 2020 | © 2020 OMDIA

CSPs have polarizing views about eSIM implementation: in-house or third-party platform

As CSPs have set their minds to deploying eSIM for consumer and for enterprise across all OEM devices, the next logical step is for them to establish how to implement eSIM. CSPs' preferred options tend to fall in one of two camps: in-house development or partnership with a third-party eSIM manager platform that is vendor-agnostic.

3rd party for OEMs, in-house for POS, CRM and web channels

The decision to use a third-party solution is more prominent in the management and integration of OEMs,

while for point of sale (POS), customer relationship management (CRM), and web channels, CSPs tend to gravitate more toward in house development. Overall, the picture is polarized with only one clear opinion: an independent solution that works with any vendor.

CSPs are increasingly relying on their in-house capabilities or vendor-agnostic third-party platforms in order to support eSIM, especially for what concerns OEM partnerships, channel integration, and user experience.
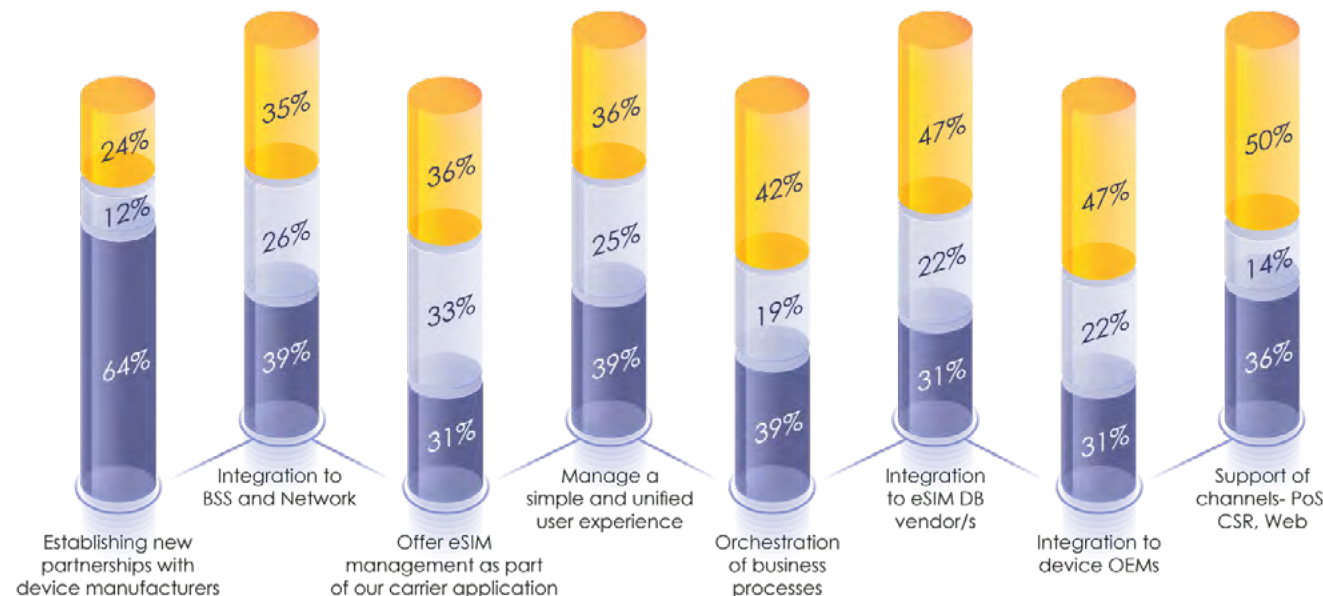

Figure 12: eSIM implementation: DIY vs. SIM vendor vs. third party

● Develop our own eSIM platform

● Other

● Use third-party eSIM manager platform solution (for orchestration, UI management, and device entitlement)

NOTE: N=80; MULTIPLE RESPONSE QUESTION SOURCE: OMDIA ESIM SURVEY 2020 | © 2020 OMDIA

CSPs want a long-term future-proof view rather than a quick fix

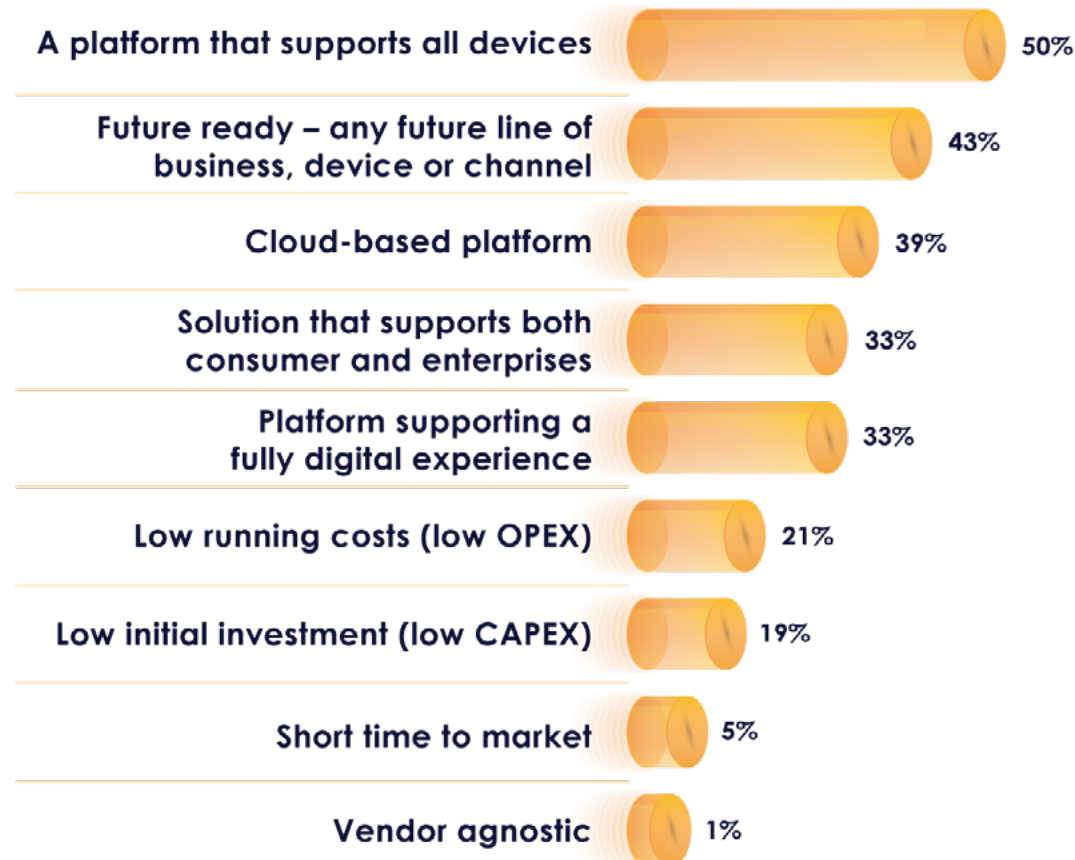**The perfect eSIM solution is a platform that supports all devices, from smartphones to companion devices to those devices yet to be invented.**

As eSIM is seen as a crucial element in considerably improving customer experience, it is unsurprising that CSPs have a holistic and long-term view of the importance of its implementation.

The "ideal" eSIM solution will in fact be omni-comprehensive in many dimensions: it should work with all devices, for any line of business, and for any channel, and should also support any customer segment, whether consumer or enterprise.

> *CSPs care more about the quality of the implementation than the cost of it (CAPEX or OPEX). It's rare to see CSPs prioritizing long-term quality over cost and it is indicative of how important eSIM is in their strategy.*

A platform that supports all devices — 50%

Future ready – any future line of business, device or channel — 43%

Cloud-based platform — 39%

Solution that supports both consumer and enterprises — 33%

Platform supporting a fully digital experience — 33%

Low running costs (low OPEX) — 21%

Low initial investment (low CAPEX) — 19%

Short time to market — 5%

Vendor agnostic — 1%

Figure 13: CSPs need a future-proof solution supporting all lines of business, all devices, and all channels

What, in your view, will be the perfect eSIM solution for the long term? What shall it include?

NOTE: N=80; MULTIPLE RESPONSE QUESTION SOURCE: OMDIA ESIM SURVEY 2020 | © 2020 OMDIA

Which process have you enabled to support eSIM activation today?

48% Digital in-app

(OEM apps, e.g. Apple and Samsung)

Future eSIM journeys need to evolve:
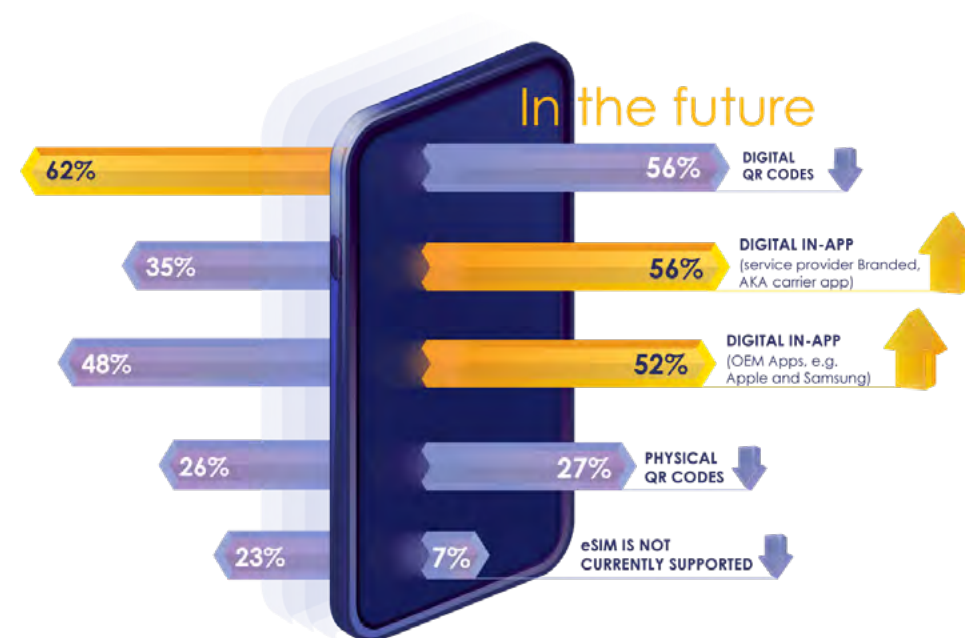# In the future CSPs want a truly digital experience

Digital first is an imperative for CSPs. Admittedly some of the customer journeys supported today are considered substandard: the most popular process supported today for activations – digital QR code – is described as inadequate by some of the CSPs because it interrupts any truly digital journey.

In the future, CSPs want to enable the process of eSIM activation within applications, with OEM apps being the preferred process but carrier apps also considered.

CSPs think that today's journeys are a compromise on quality of experience. QR codes, physical or digital, don't offer a great customer experience and in the future CSPs want to have a fully digital approach that can be offered within carrier apps or OEM apps

Figure 14: The proportion of CSPs wanting to support in-app (carrier or OEM) eSIM will rise rapidly, while digital and physical QR codes will be phased out gradually

Which processes have you enabled to support eSIM activation today?

In the future

62%	56%	DIGITAL QR CODES
35%	56%	DIGITAL IN-APP (service provider Branded, AKA carrier app)
48%	52%	DIGITAL IN-APP (OEM Apps, e.g. Apple and Samsung)
26%	27%	PHYSICAL QR CODES
23%	7%	eSIM IS NOT CURRENTLY SUPPORTED

NOTE: N=80; MULTIPLE RESPONSE QUESTION SOURCE: OMDIA ESIM SURVEY 2020 | © 2020 OMDIA

Despite a positive outlook, CSPs recognize that customer education is needed

CSPs are somewhat concerned about the responsiveness of customers to eSIM, especially the non-digital-native customer segment. Aspects of the subscription activation process and some aspects of subscription management during the lifecycle of the device can cause uncertainty from an end-user viewpoint. "What happens if the device is broken and needs to be sent to repair?" and "how is the eSIM card taken from one phone to a new phone?" are some of the questions that customers are likely to ask before they purchase an eSIM device.

For that reason, CSPs believe that customer education is the most critical challenge they face when implementing eSIM. The goal is to make the process as intuitive and as easy – or more straightforward than – extracting a SIM card from one phone and inserting it into a new one.

CSPs are now ready to move at a fast pace, but they are concerned that some customers will not understand eSIM. They call for more market education and play their role in bringing customers onboard.
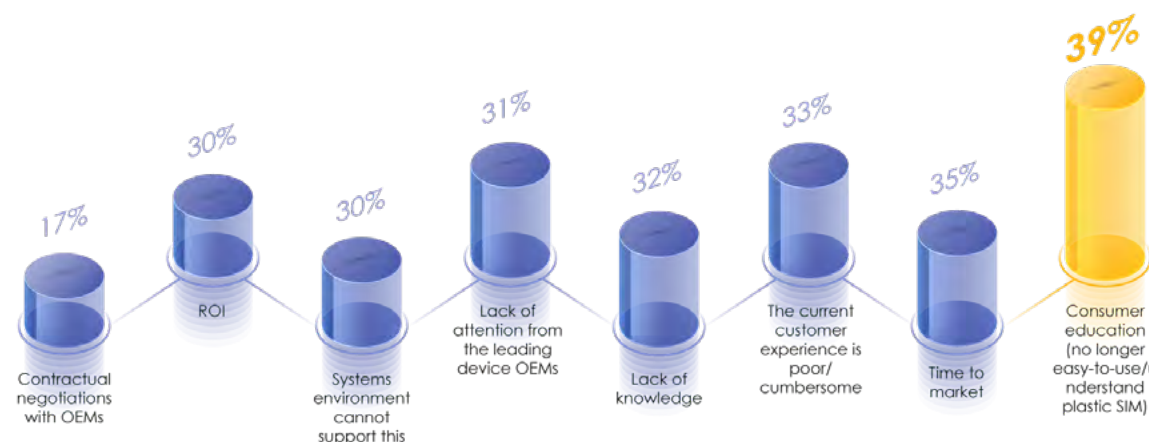

Figure 15: Customer education is more important than time to market and even ROI

Map the challenges of your organization when moving to eSIM

NOTE: N=80; MULTIPLE RESPONSE QUESTION SOURCE: OMDIA ESIM SURVEY 2020 | © 2020 OMDIA

17%
Contractual negotiations with OEMs

30%
ROI

30%
Systems environment cannot support this

31%
Lack of attention from the leading device OEMs

32%
Lack of knowledge

33%
The current customer experience is poor/cumbersome

35%
Time to market

39%
Consumer education (no longer easy-to-use/understand plastic SIM)

CSPs expect most devices to support eSIM...

With all major OEMs now supporting eSIM on at least one model in their device portfolio, nearly half of CSPs expect to see most devices in their market supporting eSIM by 2022–23.

Faster than anticipated

CSPs comment that the development of eSIM by OEMs has often been faster than they originally anticipated, including the release of devices that have stopped supporting plastic SIM cards altogether, such as the Motorola Razr released at the end of 2019.

69% of CSPs think that the majority of devices in their markets will support eSIM by the end of 2024.
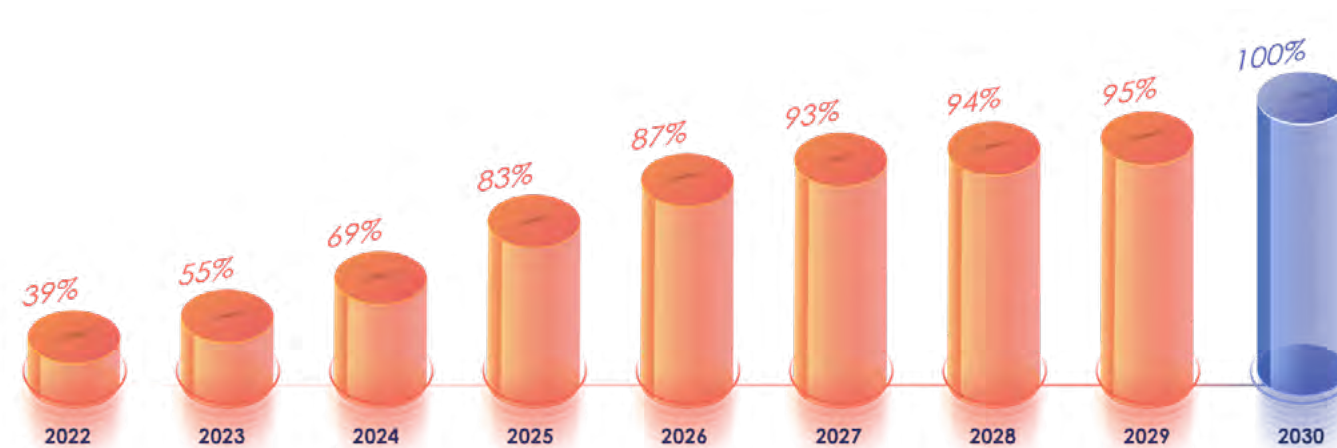
Figure 16: Device market: By which date do you think most devices in your market will support eSIM?

NOTE: N=80
SOURCE: OMDIA ESIM SURVEY 2020 | © 2020 OMDIA

...and CSPs want to move connections onto eSIM, because plastic will eventually disappear

79% of CSPs think that the majority of devices on their network will be connected via eSIM by end-2025

**Figure 17:** By which date do you think most of your organization's connections will be using eSIM?

NOTE: N=80
SOURCE: OMDIA ESIM SURVEY 2020 | © 2020 OMDIA
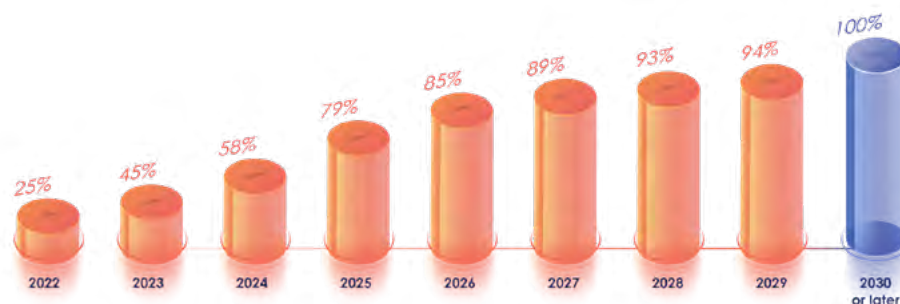
The majority of CSPs think that most devices will have stopped supporting plastic SIM altogether by 2024

Figure 18: Device market: By which date do you think most devices in your market will stop supporting traditional plastic SIM?

NOTE: N=80
SOURCE: OMDIA ESIM SURVEY 2020 | © 2020 OMDIA
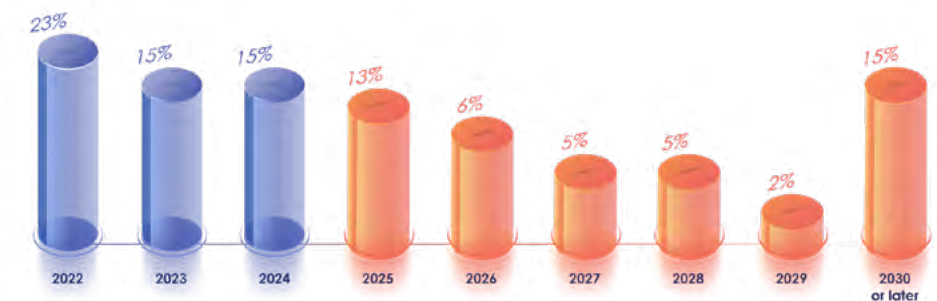
Don't be left behind, the move to eSIM is inevitable and it makes sense to be first

eSIM is now an inevitable choice for CSPs, simply because the overall ecosystem has matured and the technology is ready for mass-market adoption. OEMs are moving ahead: the first eSIM-only device has already hit the market at the end of 2019. Now, all major global OEMs – Samsung, Huawei, Apple, Xiaomi, and Oppo – support eSIM for smartphones or companion devices such as smartwatches.

Increase in consumer awareness and demand
With increased retail availability, consumer awareness is also increasing, and CSPs report that many of their customers are already actively enquiring about eSIM support.

Double the advantage
With increasing demand, the advantage for CSPs embracing eSIM ahead of their peers is twofold: Firstly, CSPs adopting eSIM now can attract high-spending customers that buy connected smartwatches and need to have their smartphones on the same network as the companion device. Secondly, enterprise buyers are mandating the support of eSIM for age-scale IoT deployment, especially for projects within the automotive sector.

Transforming logistics and distribution
But even more importantly, CSPs that can support eSIM can use it as a way to transform their logistics and distribution. Eliminating the logistical hassle is one aspect of the benefit of introducing eSIM, but what matters is the difference that eSIM will make: modern operators will primarily work in a digital-first or even digital-only environment, while laggard CSPs will mainly work with plastic SIM cards. Such a difference is not only a marketing position but will also allow digital CSPs to benefit from a cost advantage too.

eSIM - The most transformative feature in the toolbox
Right now, eSIM might seem to be just a desirable feature for high-end customers, but it's the most transformative feature in the CSP's toolbox. CSPs should be aware that if they miss eSIM they will be left behind in an existential way.

COVID-19 implications

The COVID-19 outbreak has significantly impacted the retail sector, with many businesses facing difficult times. CSPs have not been immune to lockdowns which meant they also had to shut their stores. Overall, the telecoms sector is expected to be only marginally impacted by the crisis, as "Omdia estimates only a slight decline of 1.8% in telecoms service revenue in 2020." While the telecommunications sector is only slightly affected by the COVID-19 crisis, especially in comparison to other retailers, some of the losses could have been mitigated by truly digital sales that only eSIM could have supplied. As such, COVID-19 acts as a "fast forward" button, and it will ultimately prompt those CSPs that were undecided to know the cost of not being able to do so.

About

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Amdocs' purpose is to enrich lives and progress society, using creativity and technology to build a better connected world. Amdocs and its 25,000 employees partner with the leading players in the communications and media industry, enabling next-generation experiences in 85 countries. Our cloud-native, open and dynamic portfolio of digital solutions, platforms and services brings greater choice, faster time to market and flexibility, to better meet the evolving needs of our customers as they drive growth, transform and take their business to the cloud. Listed on the NASDAQ Global Select Market, Amdocs had revenue of $4.1 billion in fiscal 2019. For more information, visit Amdocs at www.amdocs.com.

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About

OMDIA

Omdia is a global technology research powerhouse, established following the merger of the research division of Informa Tech (Ovum, Heavy Reading, and Tractica) and the acquired IHS Markit technology research portfolio*.

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* The majority of IHS Markit technology research products and solutions were acquired by Informa in August 2019 and are now part of Omdia.

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