

eSIM: State of the consumer market and the road ahead



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Giesecke+Devrient
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| Webinar

eSIM

State of the Consumer Market and the Road Ahead

DATE

17th March 2021

Pablo Iacopino
Head of Telco Research

Momentum for eSIM is accelerating

Entering a new phase of Scale

**Laying the
foundation**

2013-2017

**Early
take-up**

2018-2020

Scale

New opportunities for mobile
ecosystem players and new
benefits for consumers

2021-2025

**New eSIM
Study**



**eSIM: State of the consumer
market and the road ahead**

March 2021

gsmaintelligence.com @GSMAi

Total:
110

43

27


23

17

Smartphones
Apple
Google
Huawei
Microsoft
Motorola
NUU Mobile
Samsung

+

Oppo

 Smartwatches
Amazfit
Apple
Garmin
Huawei
Mobvoi
Montblanc
Nubia
Oppo
Samsung
TCL
Xiaomi
Xplora
ZTE

Laptops
Acer
Asus
Dell
HP
Lenovo
Panasonic

Tablets
Apple
Asus
Microsoft
Panasonic

- Doubling down
- Smartphones now lead
- Expanding beyond the high-end customer segment
- eSIM also made its debut in the 5G world

OEMs that are commercialising eSIM consumer devices



2020 figures

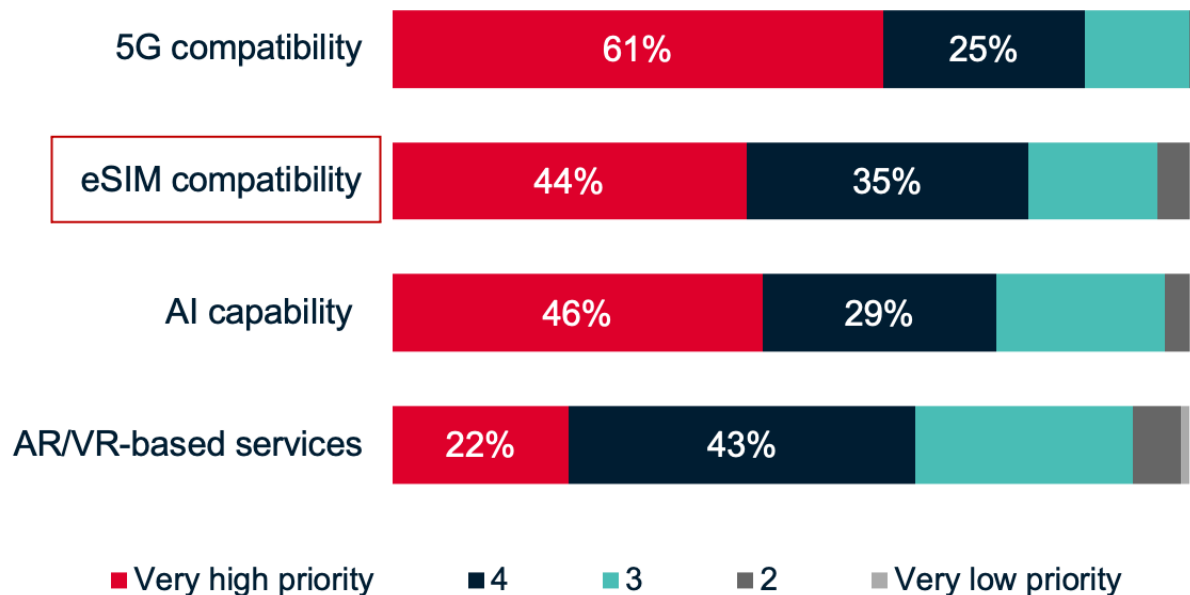
- eSIM shipments +83% yoy
- eSIM profile transactions +300% yoy

Operators are calling for OEMs to prioritise eSIM

A wake-up call for OEMs that have yet to launch

New smartphone features: what should OEMs prioritise?

Operator views (% of respondents)



- 5G top priority (unsurprisingly)
- eSIM is the 2nd
- Implicit call for OEMs to launch more 5G smartphones with eSIM capability
- 5G device renewals represent an opportunity to push the transition to eSIM

- Shift to eSIM-only devices?

40% of operators expect this to occur during 2022–2023

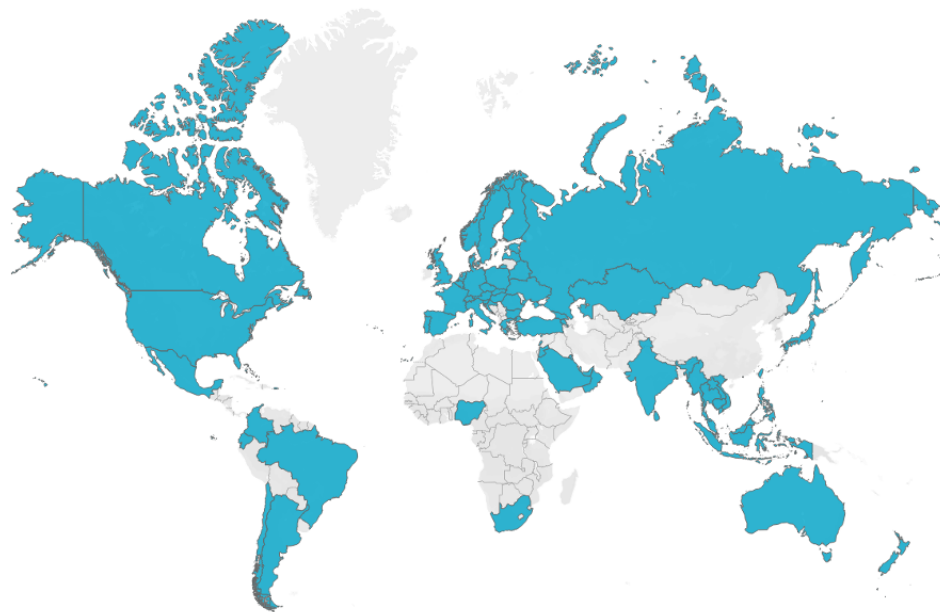
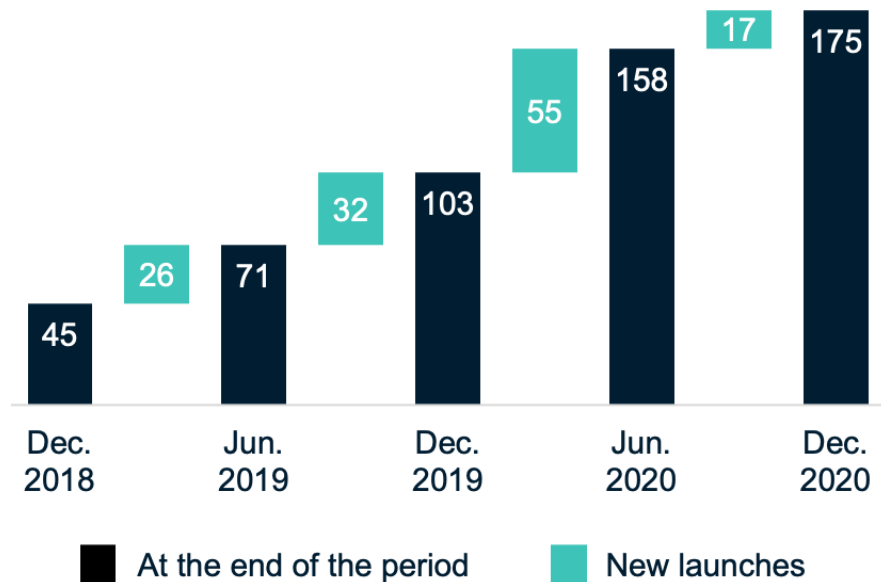
eSIM service is now (nearly) global

China and South Korea missing...but for how long?

Number of mobile service providers offering commercial eSIM service for smartphones



Across at least 69 countries

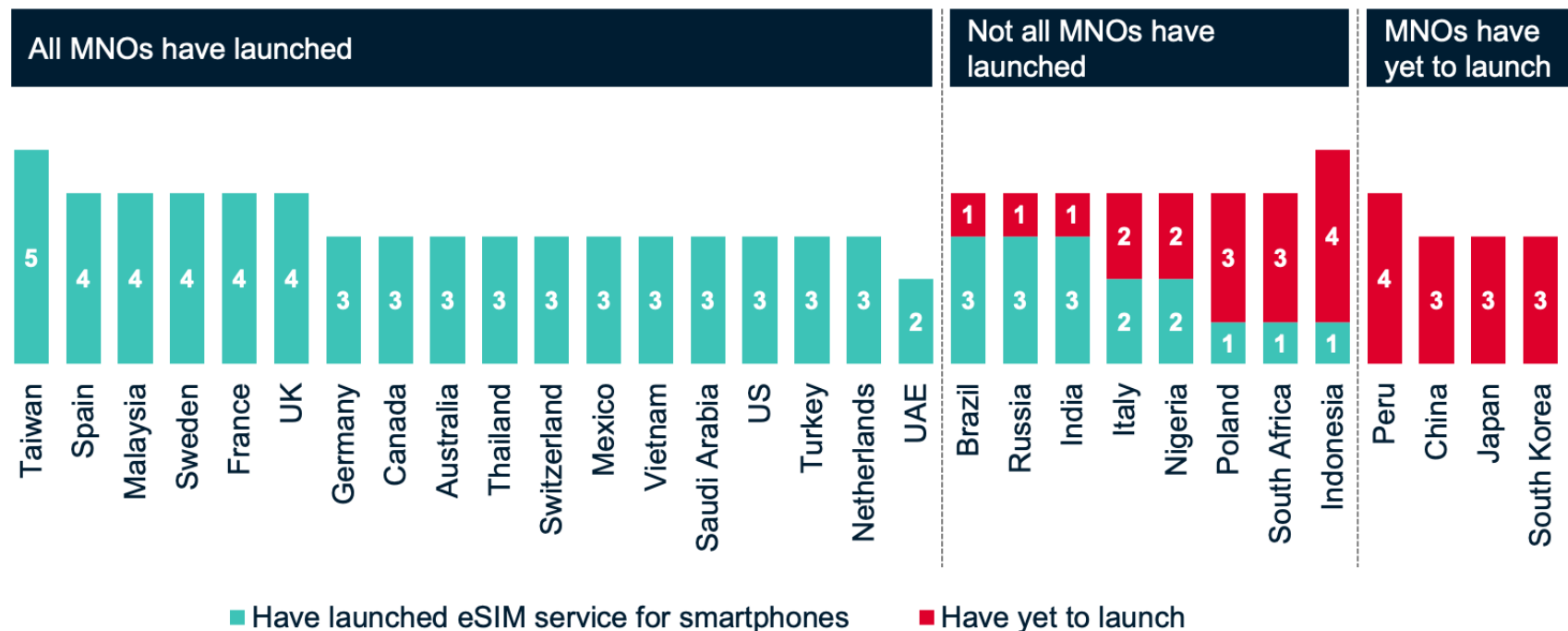


Larger markets lead the way

eSIM nearly ubiquitous – 70% of MNOs have launched in larger markets

Number of MNOs offering eSIM service for smartphones in the top 30 markets

MNOs with at least 5% share of smartphone connections in a given country



Potential benefits of eSIM: what do operators think?

Incremental revenue and opex savings – It's all about further digitisation

Potential benefits of eSIM

Operator views

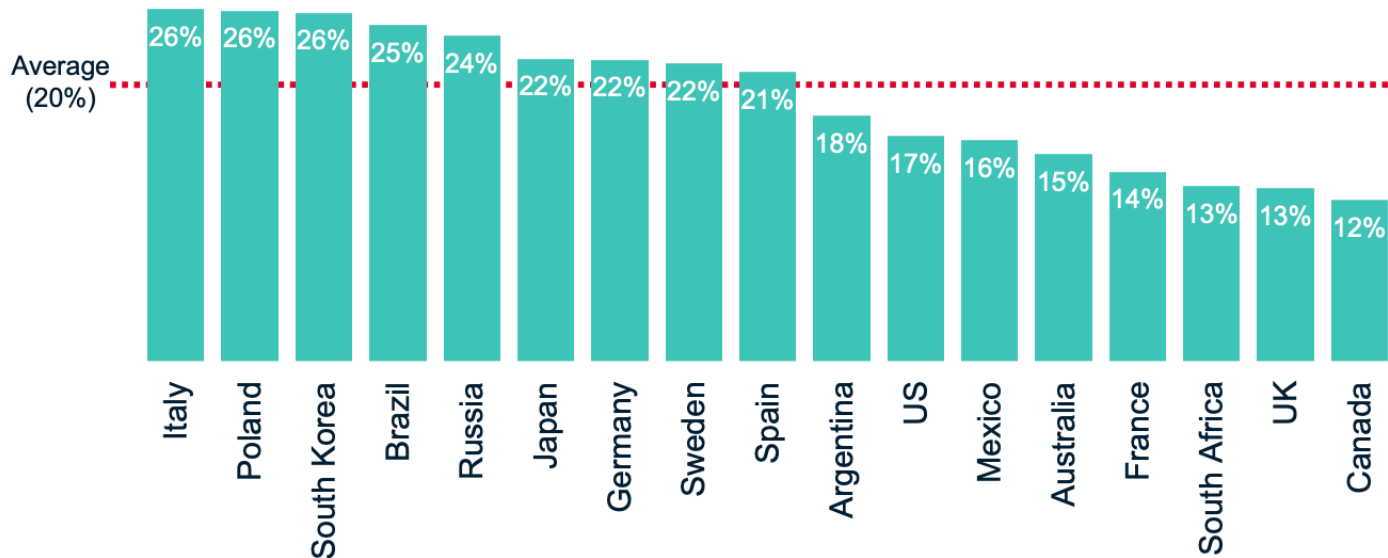
• Increase adoption of other mobile devices by linking them to a main subscription plan		New revenue
• Drive greater use of digital distribution channels		Opex savings
• Enhance customer experience by reducing the time between sign-up and commencement of service		New revenue
• Support international roaming services		New revenue
• Streamline logistics costs by reducing physical SIM purchases		Opex savings
• Explore opportunities in new digital services (i.e. digital identity, access authorisation and mobile payment)		New revenue

Consumers: do they know what eSIM is?

New benefits, but consumer awareness of eSIM is still low

Consumer awareness of eSIM

Percentage of surveyed consumers who have heard of eSIM



- ~20% of consumers are aware of eSIM
- Awareness of 5G is 85% on average
- Opportunity to raise awareness and promote eSIM benefits

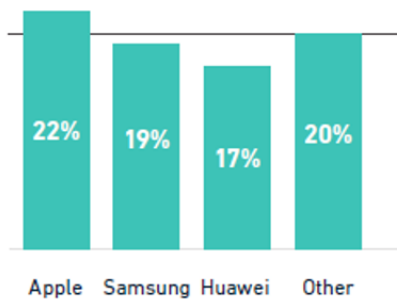
Interview feedback

- Correlation between operators' promotional activity of eSIM and volumes of eSIM activations

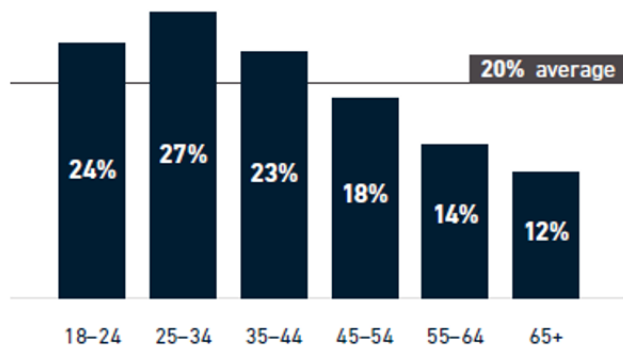
Consumer awareness of eSIM

Percentage of surveyed consumers who have heard of eSIM

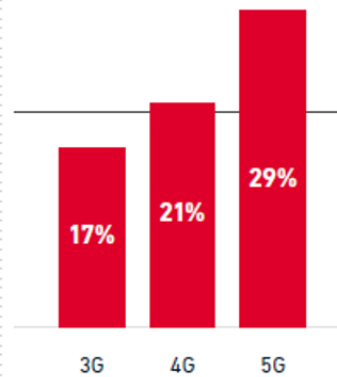
By smartphone brand



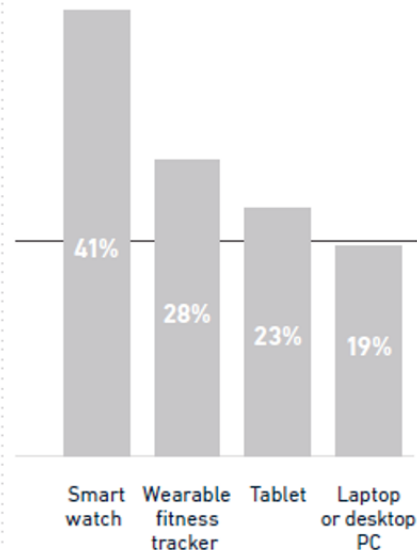
By age



By network generation



By ownership of other mobile devices

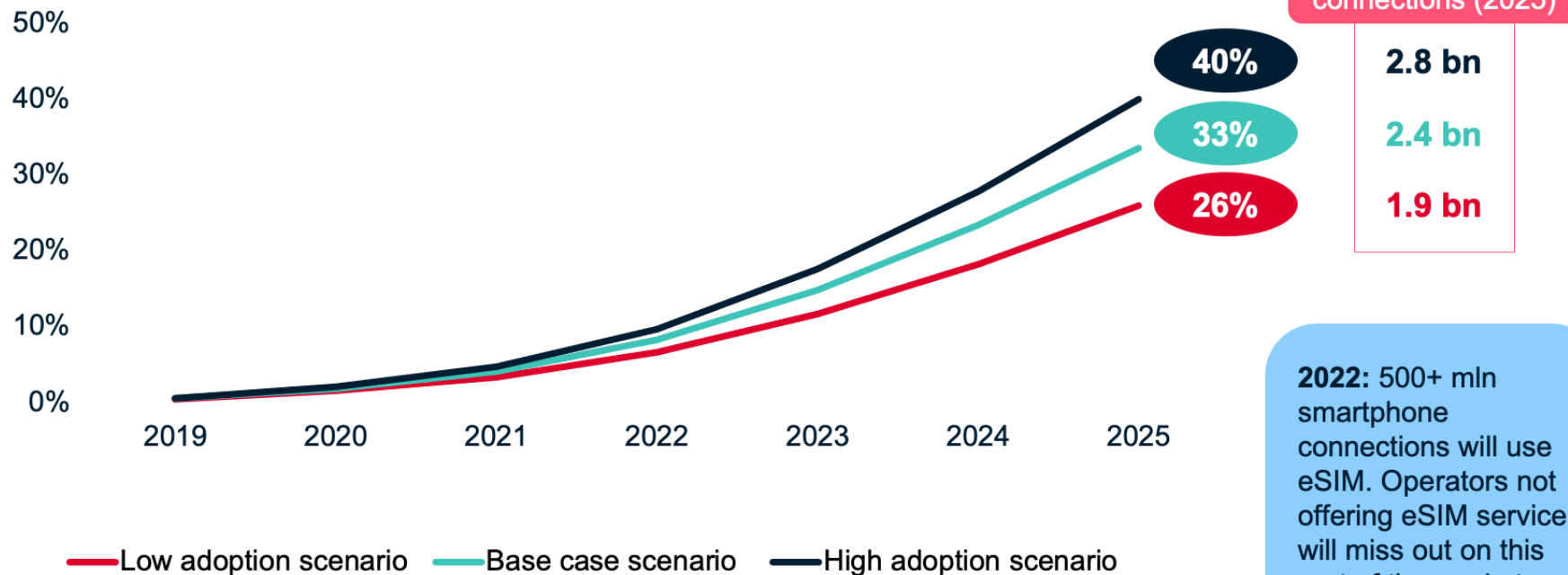


eSIM market adoption: charting the next five years

The march towards mainstream – Acceleration from 2022 onwards

eSIM smartphone connections as % of total smartphone connections (installed base)

Worldwide



eSIM smartphone connections (2025)

2.8 bn

2.4 bn

1.9 bn

2022: 500+ mln smartphone connections will use eSIM. Operators not offering eSIM service will miss out on this part of the market

The road ahead: how do we get there?

Scaling eSIM – An ecosystem play

How to fully leverage the business potential of eSIM and scale market adoption in the coming years

Consumer-oriented actions

Raise consumer awareness of eSIM and promote its benefits

Enhance user experience for eSIM activation and beyond

Democratise eSIM devices and drive product and service innovation

Strategic and operational actions

Push the shift to digital and embrace a fully digital eSIM model

Start implementing eSIM if you haven't

Develop your eSIM strategy and externalise it to stakeholders





THANK YOU!

Pablo Iacopino

Head of Telco Research

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eSIM for Consumers



Carsten Ahrens

CEO of Giesecke+Devrient Mobile Security

GSMA Webinar, 17.03.2021



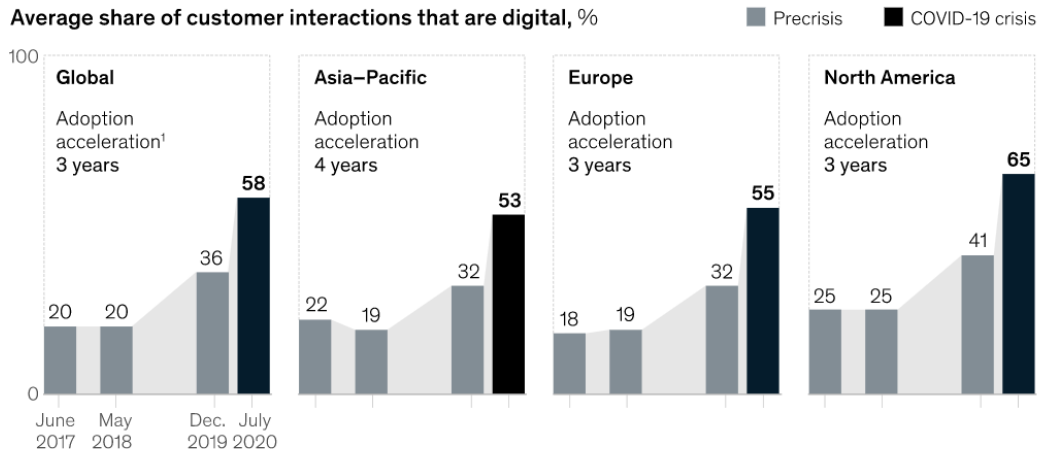
Consumer Experience

Serve the customers
where they are...



Consumer Trends

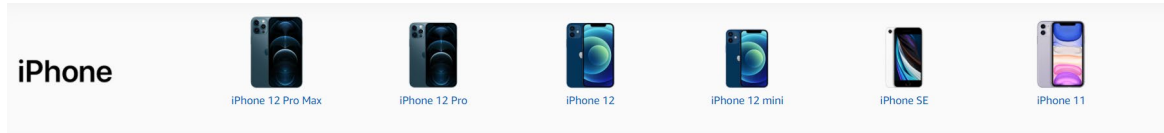
Covid-19 has accelerated the digitalization of customer interactions.



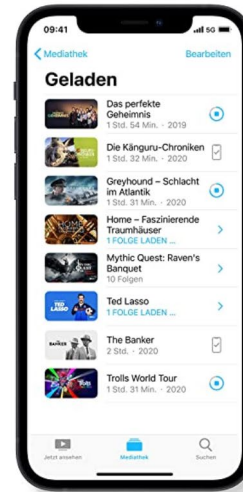
¹Years ahead of the average rate of adoption from 2017 to 2019.

Consumer Experience

...online in
Germany.



**5G.
Superschnelle
Downloads.
Streaming in
höchster
Qualität.***



New Apple iPhone 12

[Visit the Apple Store](#)

★★★★★ 2,029 ratings | 123 answered questions

Suggested price: ~~€1,069.00~~

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You Save: **€69.99 (7%)**

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May be available at a lower price from [other sellers](#), potentially without free Prime shipping.

Size Name: **256GB**

64GB 128gb **256GB**

Colour Name: **black**



Brand Apple

Colour Black

Memory storage capacity 256 GB

Operating system iOS 13

Screen Size 6.1 Inches

Consumer Experience

...online in U.S.

iPhone

iPhone 12 Pro Max iPhone 12 Pro iPhone 12 iPhone 12 Mini iPhone SE iPhone 11

New Apple iPhone 12 Pro (512GB, Gold) [Locked]
+ Carrier Subscription

by Apple




★★★★☆ ~ 81 customer reviews | 19 answered questions


i This phone must be purchased with a monthly carrier plan and will be locked to the selected carrier.
Get up to \$100.00 over 24 months added to your Amazon.com Gift Card balance (\$4.17/month every month you're subscribed). Limit 1 iPhone and wireless plan per account. [Learn more](#)

Size: **512GB**

128GB 256GB **512GB**

Color: **Gold**



Carrier: **Cricket Wireless LLC** [Coverage & subscription details](#)

eSIM offers instant services.



Same-Day Delivery



FREE One-Day Shipping

Get items the next day

- Available on millions of items.
- Receive items by 9 p.m the next day.



Look for
the logo



Add eligible items to your
cart

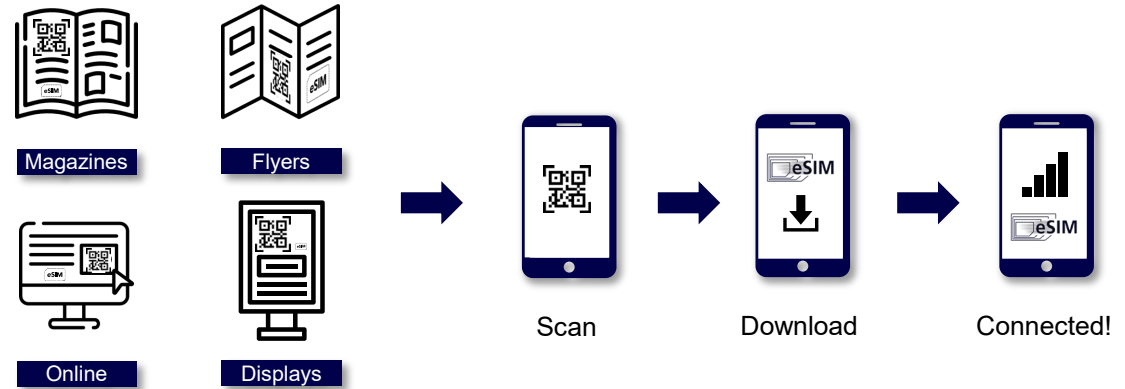


Get FREE One-Day Shipping
on your purchase

SHOP NOW

Serve the
customers where
they are!

eSIM supports a fully digital onboarding journey
with best user experience



Consumer benefits from digital channels.



Easy usage



Fast process



Ubiquitous



New services

eSIM for mass roll-outs

**In 2018,
Apple launched
their first eSIM
enabled iPhone.
Apple Watch and
iPad were already
eSIM enabled.**



What is necessary for a successful eSIM play?

Seamless Integration and Proven Interoperability with an E2E eSIM Solution



eSIM is a game-changer

It demands the
most trusted
partner.

Record eSIM Activation Rates

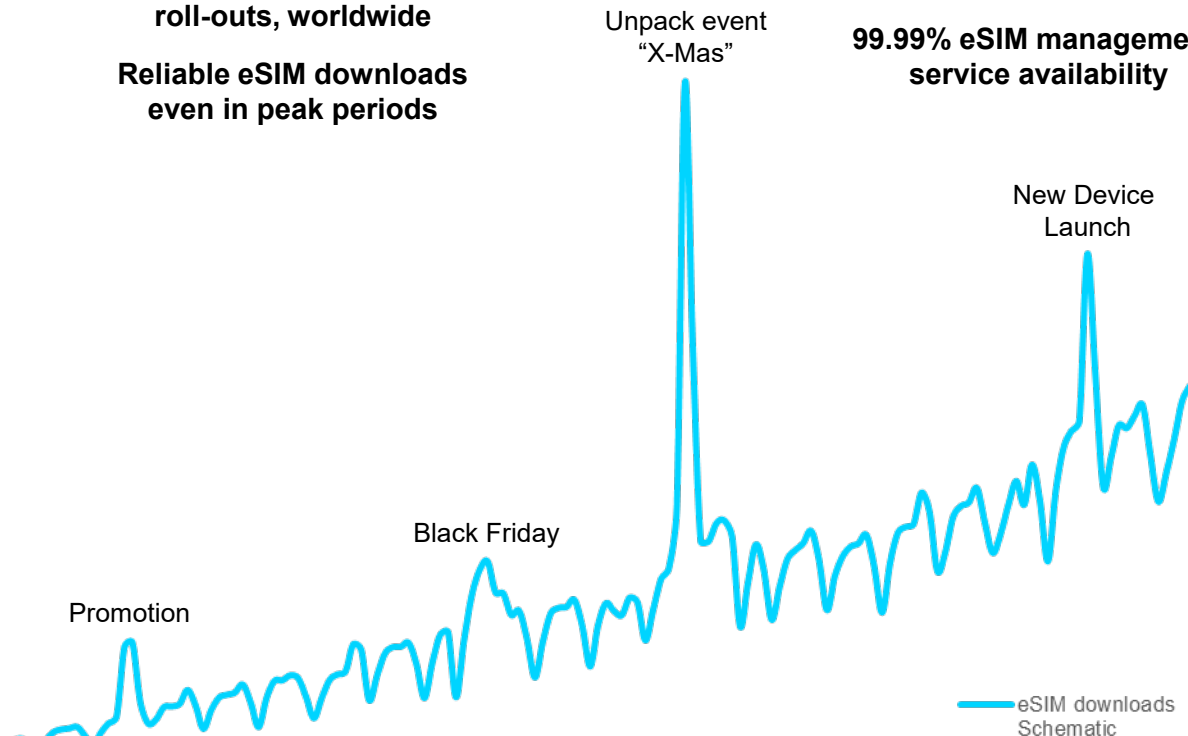
Ready to deploy in mass
roll-outs, worldwide

Reliable eSIM downloads
even in peak periods

Leading Performance

Geo redundancy

99.99% eSIM management
service availability



Source: G+D



Giesecke+Devrient
Creating Confidence

eSIM:
the most eco-friendly SIM

Zero plastic

Zero logistics

Zero supply chain

Low carbon footprint





New consumer channels, more devices
mean more revenue

Reduce cost and logistics

Low CO₂ footprint

G+D will continue to lead the industry and
is ready to support you. Contact us!

Q&A Session



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