

RESEARCH AGENDA 2019

CONSUMER AND ENTERTAINMENT SERVICES

Consumer and Entertainment Services



Rob Gallagher

Research Director

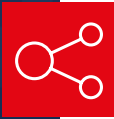
*Consumer &
Entertainment Services*

“Technology and consumer behavior are changing faster than ever. Few are clear about which business models or companies will win out. Yet what we do know is that the net result will be growth. Revenues from consumer telecoms, media, and technology services will near \$2.1 trillion in 2022. Adapting to become a driver – rather than a survivor – of change will be key to securing a slice of this massive opportunity.”

Broadband & Multiplay

The Market Challenge

The digital landscape will get more complicated for communications service providers (CSPs) in 2019 in two key areas. Firstly, those CSPs which launch 5G will need to price services in ways that deliver value to consumers and the bottom line. Secondly, CSPs everywhere will need to evolve their bundling strategies as consumers are becoming more discerning in terms of what they value and will pay for. The onus is on CSPs to better understand their customer segments.



How Ovum helps you

Understand the mobile-only consumer via our survey data and forecasts for both developed and emerging markets.

Optimize your 5G launch strategy by identifying best practice tariff strategies to drive revenue uplift.

Ensure your service bundles drive results via our analysis of bundle KPIs and innovative multiplay strategies.

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Nicole McCormick
Practice Leader

“5G will increase the percentage of mobile-only consumers beyond the current 10-20% in developed markets. The big question is by how much?”

Key Deliverables



Broadband & Multiplay Consumer Insights – discover how consumer usage and attitudes to broadband and multiplay bundles are changing in developed and emerging markets.



Consumer Broadband Forecasts – understand the true size of fixed and mobile consumer broadband opportunities with five year forecasts that exclude business connections and break down by technology and speed.



Broadband Pricing Interactive Tool – understand how mobile and fixed pricing strategies differ and are evolving across multiple geographic markets and services providers.



Bundling and tariff innovation case studies – evaluate how CSPs are innovating with 4G and 5G pricing, and how they are re-inventing the bundle to retain and gain customers.

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Themes for 2019

Innovating with 5G pricing

The move to 4G saw little tariff innovation. The launch of 5G will require CSPs to undertake a more fundamental review of how they charge for data. Evolving tariffs for consumers around network speeds, greater data allowances, lower latency, and new super-charged video services will become more important with 5G. Ovum will assess how early adopters are meeting this challenge, and what the 5G pricing outlook will be for the next five years.

Assessing the mobile-only opportunity

Mobile-only consumers rely on their mobile service for data and voice. This segment is growing, causing CSPs with extensive fixed broadband operations to worry about how many consumers will cut the cord, especially as 5G delivers super-fast speeds, larger data allowances, and video bundles. In 2019, Ovum will cut through the hype and deliver country-by-country forecasts quantifying the extent of fixed-to-mobile broadband substitution.

Modernizing the multiplay bundle

Broadband and media bundling remains a major driver of differentiation, loyalty, and churn reduction. But traditional bundles are under pressure as consumers are swapping out fixed voice and pay TV for mobile and OTT video. In 2019, Ovum will examine which combinations modern consumers value most and why; and will also produce in-depth case studies of cutting-edge strategies drawing on KPIs to show how and where bundling can have a material impact.

Monetizing gigabit broadband

While 10Gbps services are available in a growing number of markets, many more operators are grappling with how to migrate customers from 100Mbps to 1Gbps. Ovum will identify the key lessons learned by operators who took the lead in offering 1Gbps services. What happened to premiums over time? What's the best way to market and monetize 1Gbps? Is it better to be an early adopter or a fast-follower? Ovum will answer all these questions and more in 2019.

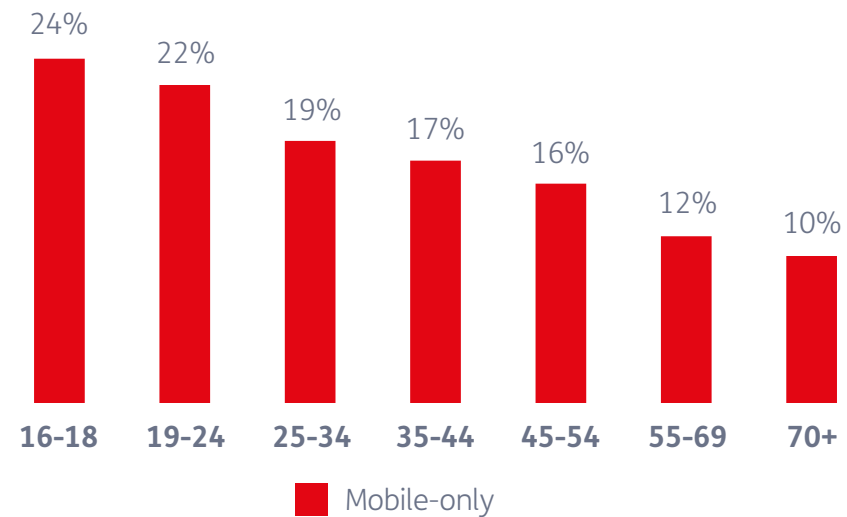
What's new

Mobile-only subscriber forecasts – quantifying and contextualizing the size of this emerging opportunity and challenge.

5G tariff tracking and analysis – unpacking how service providers are pricing the next generation of mobile technology.

Bundling success stories – analyzing which innovative pricing and packaging strategies have worked, and why.

Mobile-only vs.fixed broadband respondents by age (4Q17)



Communications & Social

The Market Challenge

Facebook, WhatsApp, WeChat, and others are fundamentally changing how consumers interact with each other and with businesses.

Chat apps and social networks are also becoming broader platforms for media, e-commerce, personified AI, and customer service. The task for chat apps, social networks, and their partners is to understand when and where their plans will gain traction – and dealing with growing concerns over privacy, data security, and “bad actors”.

Telecom companies face the fundamental challenge of remaining relevant as providers of communications services. They must maximize their assets while striking the best partnerships to secure their place in tomorrow’s communications ecosystems.



How Ovum helps you

Quantify the impact of chat apps on traditional telecom services, and the evolution of consumer communications services through extensive OTT communications market forecasts.

Understand how to transition existing communications services and develop new value-added services in order to remain relevant in a fast-moving marketplace.

Assess the role that key social networking and media companies play in the development of new services, technologies, and business models.

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Pamela Clark-Dickson
Principal Analyst

“Communications is entering a new visual era, with three out of five chat app users now regularly making video calls”

Key Deliverables



Communications Consumer Insights – discover how consumer usage and attitudes to communications are changing in developed and emerging markets.



OTT Communications and Social Media Trackers – understand the competitive landscape via historical KPIs and projections for the most disruptive players in communications and social.



Mobile and OTT Messaging Forecasts – quantify users, traffic, and revenues across key established and emerging communications segments and geographies.



Rich Communication Service (RCS) Forecasts – assess the potential of the next generation of telecom messaging with global, regional, and country-level market sizing of users, traffic, and revenues.

Themes for 2019

Mapping the new communications landscape

Chat apps are continuing their march toward world domination. App-based messaging is nearing saturation levels in many markets, and chat app users have seized on video as their new favorite way to communicate. Nevertheless, the fragmentation of chat apps means that telecom voice and SMS persist, paving the way for telecom companies to also succeed with RCS. In 2019, Ovum will focus on the evolution of telecom and OTT communications, exploring the implications for consumers and the wider industry, and underpinning its analysis with forecasts, tracker data, and consumer surveys.

The rich new world of A2P communications

SMS aggregators and vendors are providing enterprises with more choice than ever in how they communicate with consumers, while adapting their platforms to keep pace with how consumers' communication behaviors are changing. However, enabling enterprises to access new channels for application-to-person (A2P) communications has implications for telecom companies as well. In 2019, Ovum will continue to analyze the A2P market, tracking and evaluating the role of RCS within the context of SMS and chat apps, and assessing the strategies of the key stakeholders as they transition to providing richer communications.

Opportunities and challenges for social media

Social networks are now an intrinsic part of consumers' lives. However, they are always evolving to add new and better services, monetization features, and infrastructure, making them a moving target to compete or partner with. Their challenges, which range from regulation to data security and privacy, as well as consumer protections, are similarly shifting. In 2019, Ovum will track and analyze social media players as well as evaluate the size of the global social media market.

What's new

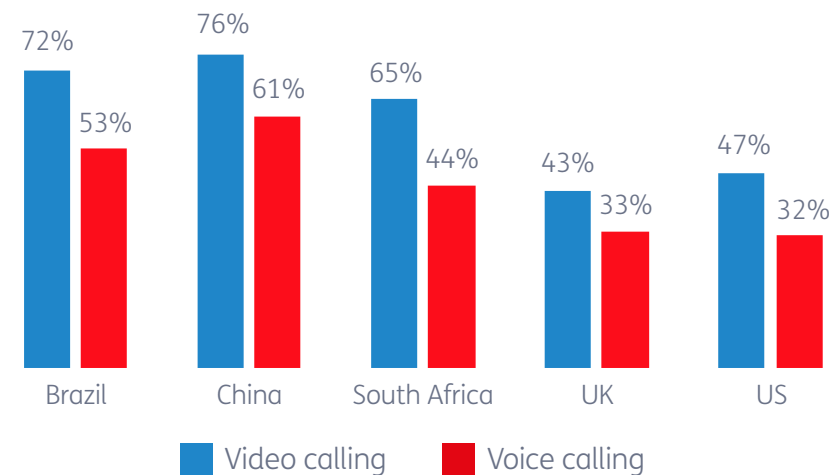
The future of communications for telecom companies – assessing their role in messaging, voice, video calling, and RCS over the next five years.

Messaging app competitive barometer – evaluates chat app strategies, platform capabilities, and the competitive edge of the key chat app players.

Social media capacity benchmark – evaluates strategies, platform capabilities, and competitive edge of the key social media players.

Video calling is more popular than voice calling on chat apps

Do you regularly (i.e. at least once a month) make use of the following services on any of these devices - video calling via an app, voice over IP calls via an app?



60% Mobile users who make app-based video calls

44% Mobile users who make app-based voice calls

Media & Entertainment

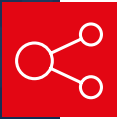
The Market Challenge

Media & Entertainment has never been more in demand. And yet, at the same time, its future has never seemed so uncertain.

Great content's ability to attract customers, boost loyalty and drive spend is leading players from across the telecoms, media, and technology (TMT) market to make ever-greater investments in the business – including mega-mergers of the industry's biggest names.

But each has different – and often disruptive – visions for the role of entertainment in tomorrow's digital economy, depending on their diverse aims.

Finding a clear path will require a nuanced understanding of the multiple motives, methods, and market opportunities in play.



How Ovum helps you

Discover which entertainment segments, geographies, and partners to prioritize using data and forecasts of unrivalled depth and breadth.

Develop compelling products and services based on data on consumer behavior, market trackers, and service provider benchmarks.

Optimize your go-to-market strategies by identifying the best feature-set, pricing, bundling, and partnership options for your organization.

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Ed Barton
Chief Analyst

“Internet-only services will drive 60% of revenue growth in premium and ad-funded TV & video over 2017 to 2022.”

Key Deliverables



Entertainment consumer insights – discover how audiences are changing in developed and emerging markets, based on surveys of thousands of consumers.



OTT media trackers and benchmarks – filter the signal from the noise with tools to help monitor and analyze the most disruptive trends and players in entertainment.



Comprehensive entertainment forecasts – quantify opportunities across key established and emerging entertainment segments, geographies, and service providers.



Entertainment outlook reports – understand how, when, where, and why entertainment markets and competition will grow and evolve.

Themes for 2019

The changing M&E landscape

Internet innovation and economics means that media & entertainment service providers will increasingly converge, collaborate, and collide. Ovum will provide an integrated data-driven view of how the competitive landscape will evolve in order to help stakeholders understand where to play, as well as when and why.

The future of TV & video advertising

Broadcast TV advertising remains one of the largest sources of M&E revenue, yet few would argue that it couldn't be improved. 2019 will see broadcasters, pay TV operators, and internet firms each seek to evolve the market for their own ends, through innovation, convergence, and consolidation. Ovum will identify the winners and losers in the battle to modernize TV advertising.

Quantifying the impact of FAANG

The influence of Facebook, Apple, Amazon, Netflix, and Google will only grow as they continue to invest and innovate in ever broader aspects of entertainment. Ovum will predict what's next for the global mega-platforms and the opportunities and challenges for players across the value chain.

New roles of network operator

As broadband providers, telecom companies, and cable companies will occupy an increasingly crucial role in digital consumers' lives, especially after 5G arrives. Ovum will forecast the potential of an array of further opportunities for operators, including mobile video, OTT partnerships, carrier billing, and super-aggregation.

Emerging digital media opportunities

Podcasts, eSports, and mobile games are attracting massive audiences, while augmented reality, artificial intelligence, and 5G promise to be even more transformative. Ovum will assess the potential of these technologies and services to drive new and existing media & entertainment opportunities, and will also explore their challenges.

What's new

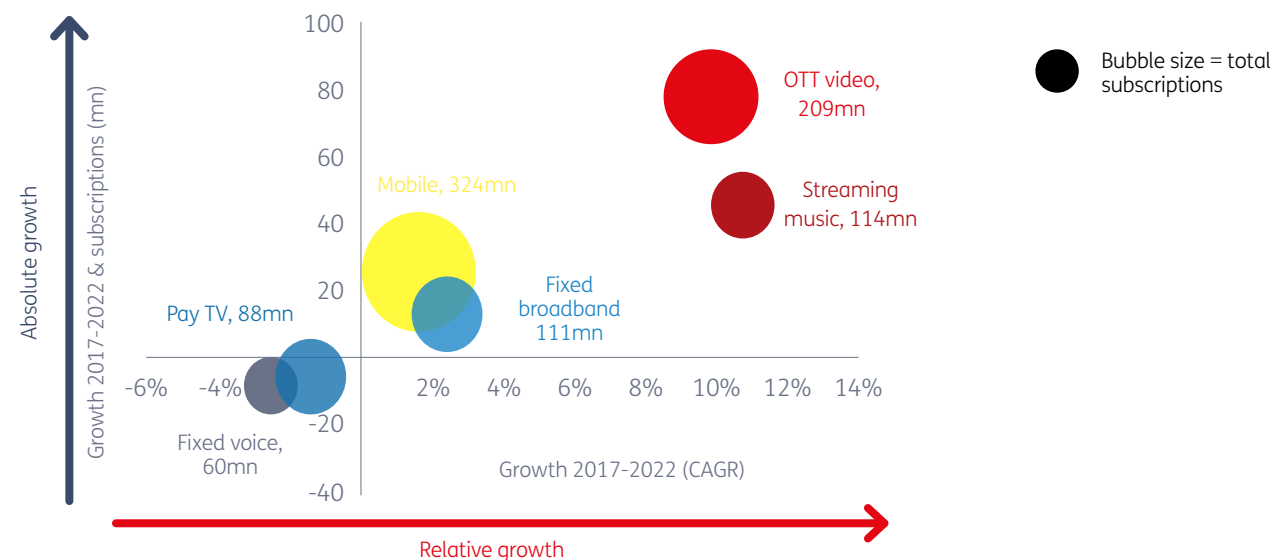
A la carte TV & video forecasts – understand the evolution of TV pricing, packaging, and viewer buying behavior.

FAANG video market shares – quantify the outlook for Facebook, Apple, Amazon, Netflix, and Google.

The impact of 5G on M&E – assess how next-generation mobile technology will drive new and existing opportunities.

Consumers and service providers will gravitate towards the twin suns of mobile and OTT video

USA, total subscriptions and growth by service type, 2017-2022



Smart Living

The Market Challenge

Connected devices and AI platforms have massive potential to change multiple aspects of people's daily lives, opening up opportunities and challenges to new and established service providers and vendors.

From commerce and banking, to entertainment, to the smart home, smart living technology is changing traditional supply chains and re-engineering the user experience. Quantifying the size of these opportunities, as well as developing the right go-to-market and partnership strategy is complex, especially given dynamics vary greatly by both segment and geography.

Ovum's research brings clarity to these opportunities via consumer surveys, market tracking, five-year forecasting, and strategic analysis.



How Ovum helps you

Smart living consumer insights – consumer surveys to identify the changing user demands and use cases.

Smart home trackers and indexes – detailed market trackers and player analysis to monitor the strategies of leading players.

Smart home forecasts – in-depth market forecasts and data tools to quantify each core opportunity.

Smart living strategic reports – to highlight best of class market strategy.

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Michael Philpott
Practice Leader

“By 2022, smart home revenues will total \$106bn – larger than those from OTT video”

Key Deliverables



Smart home device and services forecasts –

understand the size of the smart home opportunity by core segment, and whether this growth will come from device sales or service revenues via forecasts that take a complete view of the market.



Smart home vendor and service provider market trackers –

keep ahead of the latest smart home developments by gaining an understanding of the initiatives from leading service providers and vendors in the smart home space.



Smart home opportunity index – maximize the opportunities in your markets by understanding the potential demand as well as barrier characteristics in each country.



Consumer payment forecasts – understand what is driving revenue growth by analyzing the trends of key mobile payments segments; m-commerce, person-to-person (P2P) transfers, and proximity payments.

Themes for 2019

Understanding smart home dynamics

Smart Wi-Fi has already become an essential component of the modern home and the consumer appetite for smart home devices and applications is also growing quickly. Numerous players from different backgrounds are competing side-by-side for a share of the home market. Competition is fierce, and many contenders are still struggling to find the optimum strategy and position in the home to maximize the opportunity. Ovum's research examines key market participants in the smart home space, helping clients to understand new business models and how to successfully market new technologies and services.

The evolution of AI assistants

AI assistants are proliferating as other players follow consumer tech firms into the fray, including CSPs, e-commerce firms and more. The market is becoming crowded and competitive, making differentiation difficult and monetization challenging. AI capabilities are ramping up, creating an arms race among players. In parallel with this, AI assistants are moving to new platforms and devices. Our research interrogates these developments, looking at new wave AI assistants such as those from CSPs, and assessing the key technology impacts, new platforms, and business models.

Disruptive smart living services

Changing consumer needs coupled with fast moving technology developments are driving the emergence of disruptive new smart living services, such as smart mobility, assisted living, and mobile money. Our research identifies the most promising smart living services, and how service providers – both in developed and emerging markets – can make the most of the opportunities presented.

Monetization & value creation for smart living

We locate value creation opportunities for digital services and commerce across a range of connected platforms and environments and explain how service providers can mine the opportunities and mitigate the challenges involved. Examples include digital commerce in the smart home, AI impacts on digital commerce, monetizing consumer-related data assets, and the changing dynamics of digital payments, with a strong focus on the role of CSPs in monetization and value creation.

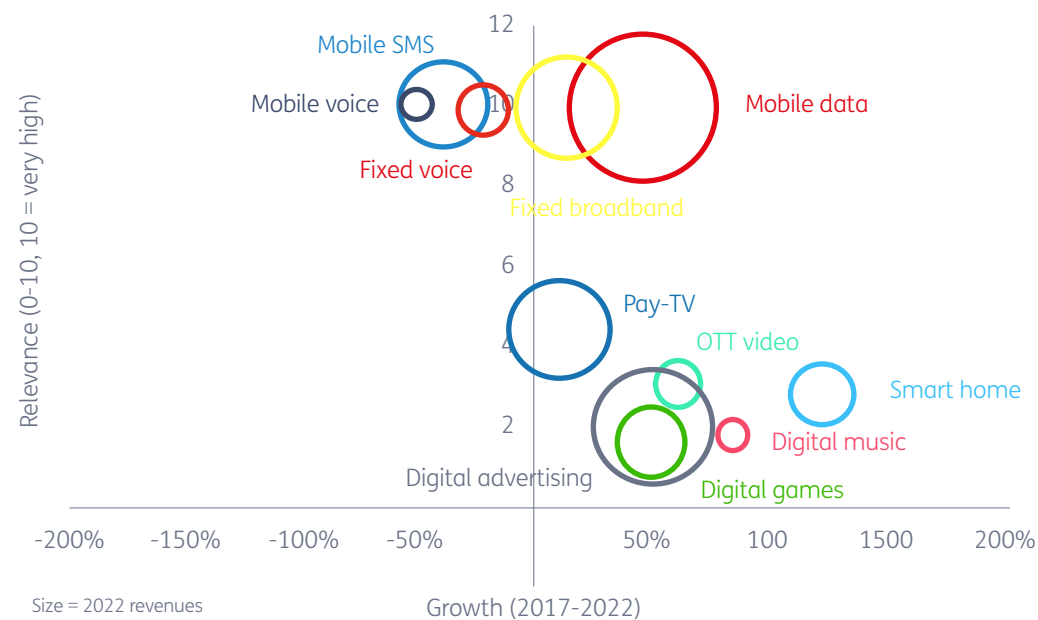
What's new

AI assistant tracker – a detailed benchmark analysis of the leading AI assistant platforms.

Expanded strategic reports – covering a wider range of smart living topics such as mobile commerce and consumer data monetization.

Smart living in emerging markets – an analysis of the different dynamics that will impact the specific solutions and services required.

Global consumer TMT revenues and telco relevance by 2022



Consumer Technology

The Market Challenge

The golden era of the smartphone is coming to an end, and wearables and virtual reality (VR) headsets are not providing enough new growth. How can device vendors and platform providers sustain value and brand loyalty in an increasingly commoditized consumer electronics market, in both a pre and post-5G era?

Artificial Intelligence (AI) is portrayed as the solution with vendors marketing digital assistants as the number one feature across multiple new products. But AI's impact will extend far beyond device sales. It will fundamentally disrupt the digital service market as it changes how consumers interact with content and services, especially in the home.



How Ovum helps you

Anticipate the impact of consumer IoT devices, including wearables, VR, and smart home devices, specific to your market.

Plan for the next technology revolution in the home across your footprint via realistic predictions and insights on what role to take and which opportunities to go after.

Get bi-annual insights on potential market disruptions coming from new technology and device launches, consumer behavior shifts, and company strategy changes.

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Ronan de Renesse
Practice Leader

“By 2022, the average household in North America will have 8.6 connected video devices and 7 smart home devices.”

Key Deliverables



Device consumer insights – understand adoption and usage of new consumer technology via our surveys in both developed and emerging markets from across the world.



Consumer IoT forecasts – size your addressable market with installed base and unit sales forecasts for handsets, tablets, wearables, VR, and smart home devices.



TV devices forecasts – size the unmanaged and managed TV devices market, from smart TVs and media streamers to connected set-top boxes, including 4K capabilities.



AI-capable device forecasts – support your consumer-facing AI product strategy using our AI-capable devices forecasts by segment, and by digital assistant and country/region.



Consumer technology trackers and reports – monitor new technology launches and anticipate market disruptions with our set of consumer technology trackers and reports.

Themes for 2019

Quantifying the consumer IoT

The evolution of consumer electronics is shifting from the creation of new gadgetry to the “smartification” of existing objects. Each segment obeys its own set of rules, from replacement cycles to retail and maintenance demands, driving or inhibiting smart living adoption. We provide a unique converged perspective on the smart living device ecosystem by delivering all-in-one device forecast intelligence.

Operator strategies for TV devices

TV devices will play a fundamental role in driving new technology adoption in the home. Smart TV sets and media streamers will continue to evolve with voice AI capabilities and multi-screen interactions that will embellish the OTT video market further. Operators must respond with their own alternative or risk losing the customer relationship. Ovum can help shape that response using our best practices, trackers, and forecasts covering both sides of the market.

Understanding the 5G device ecosystem

5G is a major opportunity to bring connectivity back to the forefront of consumers’ minds. The way devices will be designed and marketed will have a fundamental impact on consumer adoption of 5G services. As 2019 brings the first products to market, Ovum will take a close look at the value proposition and the corresponding market response. 5G is unique as it is the first time a new wireless cellular technology is deployed in such a large existing ecosystem of connected devices.

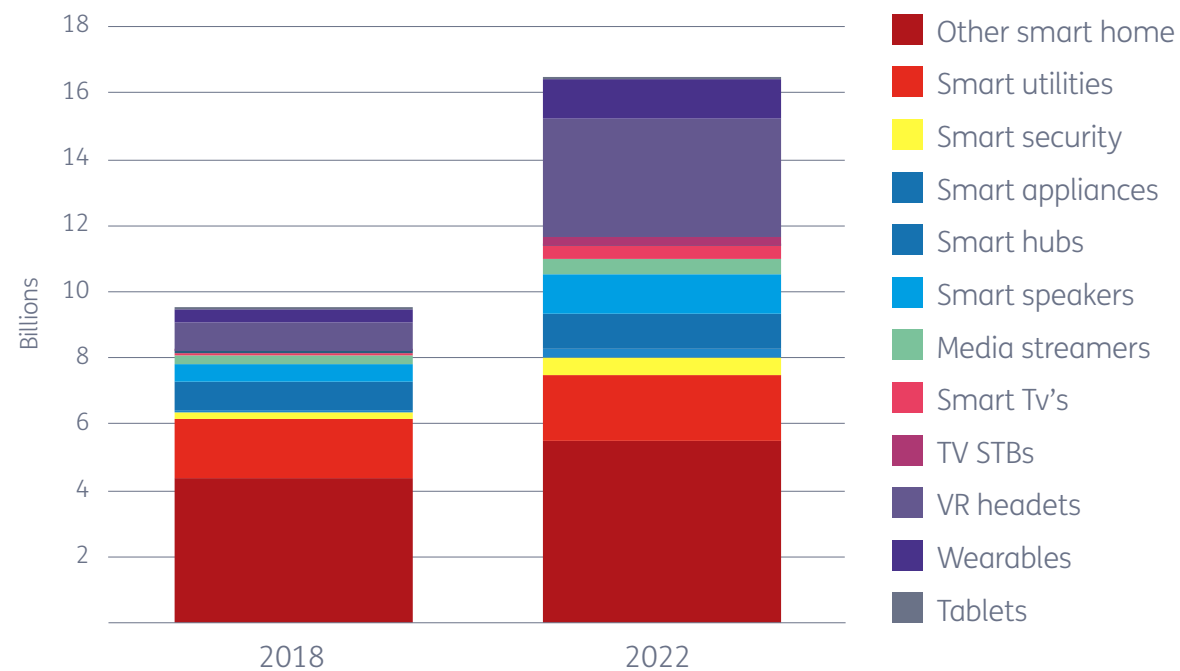
What's new

5G device ecosystem tracker and forecasts – monitoring key 5G device launches as well as country and device-level market-sizing.

Android TV tracking and forecasting – track new Android TV set-top box deployments and adoption for the next five years, at a country level.

Nearly 16.5bn connected consumer devices will be in use in 2022, up from 9.5bn in 2018

Global, connected consumer devices by type, 2018 and 2022



Get in Touch

Want to learn more?

[Click here](#) to request a callback.

