

Opportunities and challenges for mobile operators in the connected future

Technology will play a central role in almost everything we do by the year 2025. And, as it continues to develop, mobile network operators (MNOs) will need to find new ways to compete and capture market share in the next digital age. Operators will however face challenges on multiple fronts when it comes to the Internet of Things (IoT), including reducing infrastructure costs, improving IoT connectivity, and providing engaging customer experiences as well as world-class security to the end-users.



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Sherry Zameer, senior vice president for Africa at Gemalto, maintains that operators need to start finding solutions to address these challenges already or run the risk of being left behind by their customers and the competition.

Network infrastructure

Looking forward, the Internet of Things (IoT) opens up great opportunities for mobile network operators to develop new fruitful business models. "50 billion devices will be connected by 2025 – with the majority relying on MNOs for connectivity," says Zameer. "To establish new revenue streams and be able to fully embrace those new business opportunities, operators will first have to overcome some exciting challenges. As such, they must be able to deliver and manage the lifecycle of connected devices and launch new services quickly and securely without being forced to over-invest in infrastructure."

"One of the main challenges that we are seeing in the connectivity space is for operators to move towards dynamic management of the network infrastructure" notes Zameer, "and to monetise the increasing demand for connectivity within the rise of IoT, network infrastructures will have to flex between different needs."

The provision of network infrastructure itself could offer a potential new business model for MNOs. "They'll have the opportunity to provide a new combined service with a view to handing this over to a different connectivity framework, depending on the connectivity available and the broadband needs of each device," explains Zameer.

Aggregators of IoT

Another challenge is that operators must position themselves as aggregators of IoT. "As a consequence of the rise of connected devices, operators will have to provide flexible connectivity services remotely, everywhere and anytime, for any device that has an instant connection feature embedded in it," says Zameer. This shows the powerful position operators will

find themselves in when it comes to managing rights to enter the connected world, especially for new IoT players.

With that being said, the IoT market is set to grow in excess of 15 billion connected devices in 2020, generating vast opportunities across consumer devices, smart cities, cars and connected homes. This means that mobile operators should already be taking some risks to enable IoT. “Enabling IoT to be effective requires significant work on the technology, standards, and security involved, among others. These are challenges mobile operators must overcome,” adds Zameer. For example, approaching a cashier would automatically activate our mWallet, or our car heater would automatically start when the car detects we’re a few minutes away from going for a drive.

Customer service adaption

Customer services will have to adapt accordingly, with real time problem solving, for the connected dream not to become a nightmare. Zameer maintains that anticipation could be a way to provide the best service, by listening to customers through an engagement strategy and data analysis, using quality of experience solutions.

“Mobile operators already hold a wealth of data about their customers, which enable them to become authorised data brokers and develop an appropriate service offering” comments Zameer. He adds that the data they currently hold arguably puts them in a good position to facilitate the exchange of information of mutual benefit to their customers and themselves. For example, connecting people who travel a lot with the best travel insurance policies that meet their needs, or directing customers to download apps that might help them with tasks they are carrying out on their phones.

“This type of connected service have to be handled with care as mobile consumers will accept to receive relational or promotional messages from their operators but only on their own terms: opt-in first, easy opt-out and preferences management. This is why leveraging a powerful and feature rich mobile marketing platform is key to success,” added Zameer.

While the long and winding road towards 2025 will certainly have plenty of twists and turns in store for mobile operators, some of the challenges they face will undoubtedly offer new sources of inspiration and innovation. “Operators can arguably already start carving out new points of differentiation as they prepare for the connected future. Key to this will be ensuring their services are always secure, and that they build a trusted foundation for the IoT by securing data everywhere,” concludes Zameer.