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PwC View

Five trends to watch in South East Asian Telecoms in 2017

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Before we move on to the next year, let us revisit the predictions we had made for the South East Asian telecoms in 2016.

Five trends PwC had predicted for SE Asian telecoms in 2016

We did "OK" this year, and give ourselves 3.5 out of 5!

1	*Democratization of Data*	We were right: smarphone penetration rose sharply in 2016, SMS declined, and data prices fell
2	*Decoding digital: the beginning*	Spot on: digital services such as IoT will take time to scale - none have scaled yet in SE Asia. We are still at pilot stage
3	*The spectre of competitive intensity*	Jumped the gun on this one: consolidation themes are talked about in SE Asia but with few major deals.
4	*Hanging on to the customer's attention*	We called this too early, expecting to see more telcos embrace new models for serving customers. The industry is moving, but steadily.
5	*Realizing the model can't just be fixed*	We were right here: regulators all over SE Asia are reassessing fundamental tenets, though are struggling to define what the new model should look like.

Telecoms in 2017
Our Forecast

1 Threat of deglobalisation

New forms of revenue disruption will provoke Governments to limit global internet companies to be more accountable for local taxes and customer rights and players will also realise they must localise services to win more business. After a decade of globalisation through the internet, we will thus enter a form of "deglobalisation" to democratise access further.

2 Believing in B2B2C

Telecom operators will begin to accept they cannot remain obsessed with "owning the customer", an anachronism for the omni-channel world. Forward-looking telcos will experiment with enabling other businesses to win and serve customers (eg by enabling IoT), recognising this is a path to new revenue.

3 Market entry shocks

In several SE Asia countries new operators will (finally) launch in 2017. Myanmar and Singapore will see 4th mobile operator launches and Philippines may see new entrants also. Incumbents will suffer from shock as prices drop or even go zero-based, such as free voice via VoLTE as we have seen in India.

4 Engaging the customer

Operators have been on a mission to engage better with their customers. During 2017 we may see more use of digital technologies to enrich the customer experience, for example in managing connection quality, security, privacy and payments, using technologies such as NFC, 4G and 5G. However, we expect application and eCommerce players will continue to win the over the customer's hearts and wallets.

5 Getting fit for growth

This has been long coming, but in 2017 we will begin to see more operators get Fit for Growth through finance, technology and operational transformation which bring digital technologies (such as Big Data, IoT and analytics) into how they run their own business. Integrated telco groups in SE Asia will also face increasing pressure from shareholders to show how they plan to monetise their "digital" acquisitions, exacerbating the tussle between "patient capital" and the quarterly demand for share price performance.

How do our predicted 2017 themes map to your current plans?

Talk to us

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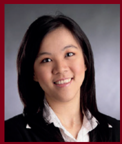

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