



DIGITIZATION:

A BRAVE NEW WORLD

Digital Business Management

*TOWARDS
TOMORROWS*



Digitization: A BRAVE NEW WORLD

DIGITAL BUSINESS MANAGEMENT

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INTRODUCTION

In today's age and milieu, with its razor like focus on digitization, it is increasingly becoming clear to operators that they must evolve their business or perish. The increasing pace of digitization has pushed operators further and further down the value and revenue chain with OTT revenues eclipsing operator revenues by 2021.

However, it seems all is not lost for the operators. If digitization closes one door of opportunity, it is opening many others too. For example, internet's migration to mobile devices is changing the end user's behavior. They now expect digital services to be seamlessly available, anytime, anywhere, on any device. This requires insights, in real time. Who else would fit in this scenario but the operator with the amount of user data at their disposal? Indeed, we are now seeing a number of OTT providers inking deals with operators.

In this e-book we turn the spotlight on Digital Business Management. Here, we elaborate why operators and OTT providers don't necessarily have to be foes all the time, but can easily flourish and grow in a symbiotic relationship with the help of digital business management. We discuss key trends, opportunities, challenges, wrapping up with a roadmap to the future of digital business management.

It would be a bit of an understatement to say that these are interesting times for telecom operators. On one end, technology is evolving at a breakneck speed. On the other, competition has never been more cut-throat or margins so thin. That apart,

Over-the-top (OTT) players have emerged as serious contenders for revenue and market share. In other words, today's telecom operators have to simultaneously contend with multiple variable factors, which may or may not impact their key performance indicators.

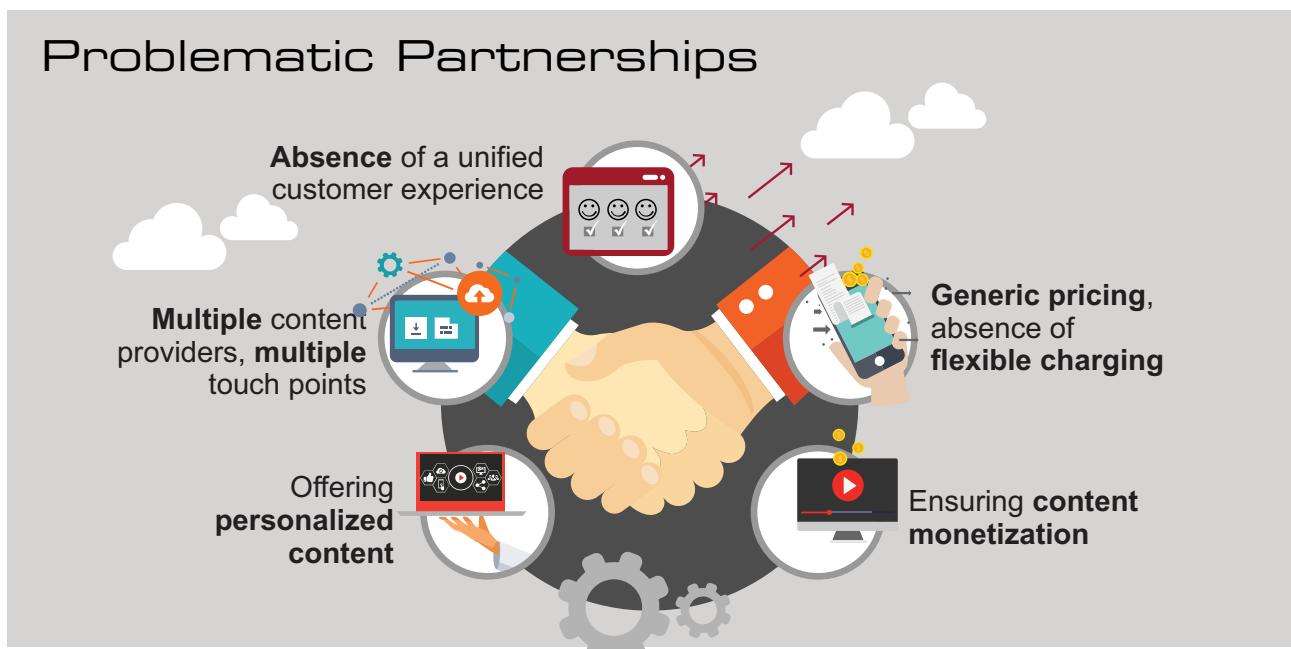
EXHIBIT 1



networks implies operators will have to manage the sheer number of partners, understand the existing gaps in the system and provide these companies with consumer insights to deliver better and more relevant services.

The need of the hour, therefore, is to achieve steady growth, while enabling a single point of contact for all partners, operations and settlements. That apart, establishing unified communication policies for customers across various services is equally vital. In the face of these challenges, opting for digital business management (DBM) is a viable solution.

EXHIBIT 2



Why Digital Business Management?



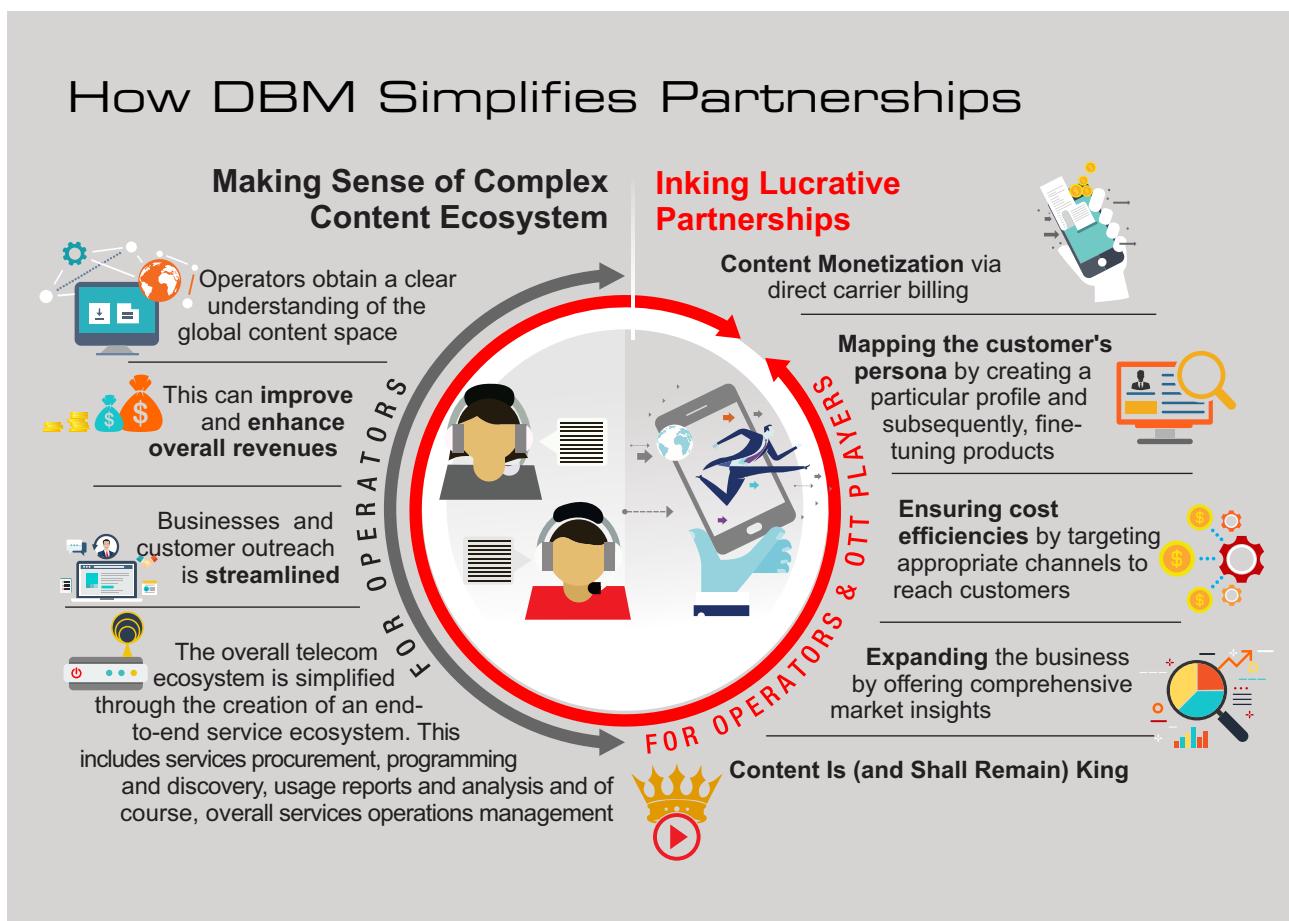
How the global DBM space has shaped up

The global DBM space has witnessed a significant amount of activity over the past few years. This is because operators are focusing on managing their content portfolio in an end-to-end manner. Naturally, this requires collaboration with various players in the content ecosystem. In fact, OTT players, too, have jumped onto this bandwagon, and are inking

deals with telecom operators. For OTT players, inking a partnership with operators is more than likely to provide access to a host of customer insights, as well as viable billing mechanisms.

Of course, the larger aim of such partnerships is to leverage the other's expertise to provide personalized and relevant content to customers at viable price points.

EXHIBIT 3



In so far, the entertainment category, including games, sports, movies and music, still tops the digital content pecking order. However, operators are steadily expanding the scope of their digital content portfolios to include utility and education-related products. The aim, of course, is to keep up with the newly arisen digital ecosystem.

Of course, not all content categories are able to achieve equal levels of popularity. For instance, despite the hype, virtual reality and augmented reality have not been able to garner an audience. This is primarily because these technologies require special gear, which is neither economical nor viable.

Fast Facts

The global mobile gaming space generated **\$50.4 BILLION** in 2017
— Newzoo

The digital television and video industry is set to be worth **\$119.2 BILLION** in 2022, up from **\$64 BILLION** in 2017
— Juniper

Revenue from music-streaming grew by **41.1%** to **\$ 6.6 BILLION** in 2017 and now accounts for **38.4%** of all recorded-music revenues
— IFPI's Global Music Report

The global e-learning market is expected to grow at a CAGR of **7.07%** between 2017 and 2023
— ResearchAndMarkets



Streaming services

Remaining relevant in an industry that is leaning heavily towards personalized content is arguably the biggest challenge before operators today. To counter this, operators are increasingly leveraging technologies that enable subscriber-defined content. For example, cloud content streaming is fast becoming the mainstay of the digital content space.

Artificial intelligence and immersive technologies

In so far, artificial intelligence (AI) and immersive technologies have been able to make their presence felt. These technologies are expected to enable operators to serve their customers better. Simply put, AI's ability to eliminate human latency and cost from various business processes will come in handy for operators to navigate the nuances of the global DBM space.

Fast Facts

Approximately **70%** of purchase decisions are made based on how a client feels they are being treated—Salesforce
— Salesforce

The cloud video streaming market is expected to grow to approximately **\$16.6 BILLION** by 2023
— Market Research Future

AI will add **\$15.7 TRILLION** to global GDP annually by the year 2030
— PricewaterhouseCoopers



Technologies driving DBM uptake

Personalization and recommendation engines

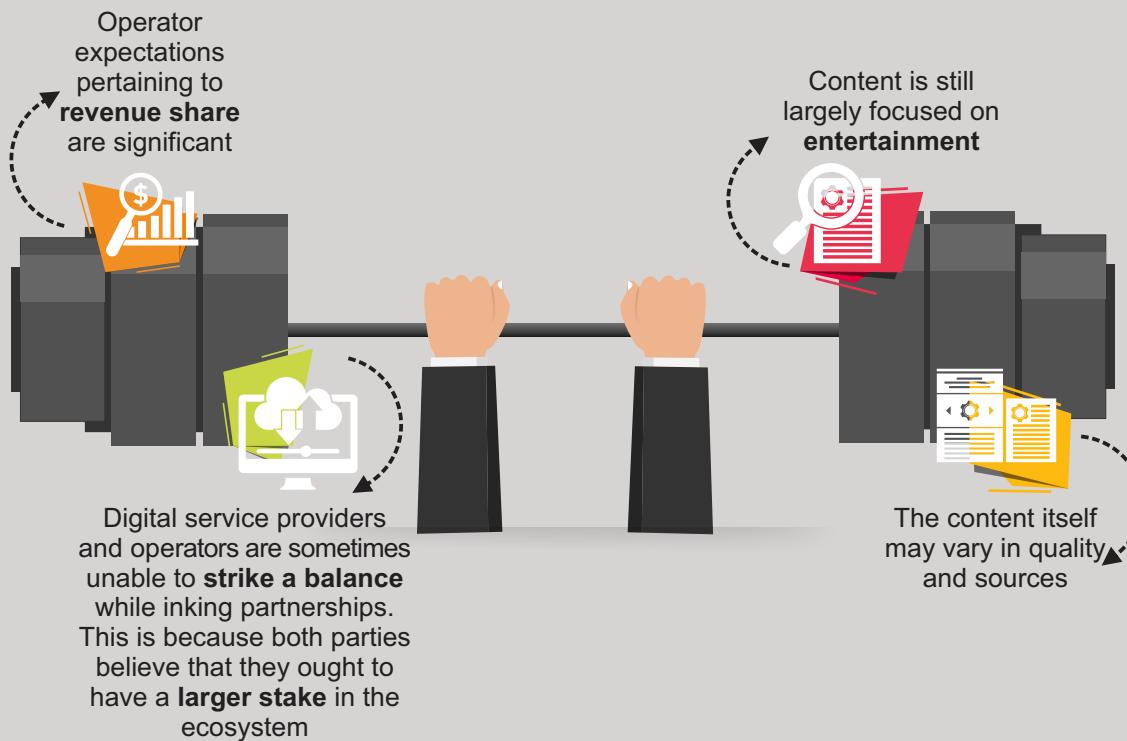
A “one size fits all” approach no longer works in the telecom space. This is because today's customer knows what they want and are looking to engage with brands that offer a personalized experience across multiple channels. The trick today for any operator is to be omnipresent and deliver more accurate and relevant information, both on-and-offline.

Viable Business and Revenue Models

Globally, for viable DBM undertakings, revenue share models have proved to be the most effective. This is because both (or all) partners are equally incentivized to ensure their business grows and flourishes.

Interestingly, pure capex-based revenue models haven't taken off. This is because the fast-paced digital services ecosystem requires technology platforms to constantly evolve, while being flexible enough to accommodate any upgrades the technology itself may undergo.

Challenges to Deploying DBM Effectively



The Road Ahead

Going forward, the DBM space is likely to continue evolving, in terms of technologies, content and stakeholders.

Content-wise, it is expected that entertainment will continue to be atop the pecking order. However, going forward, other categories, such as education, travel, learning, language skills and health, are likely to take centre stage.

Challenges pertaining to language are likely to be eliminated, by the advent of real-time translation services. This is likely to witness mass adoption over next few years.

Technology-wise, AI and immersive technologies are likely to come to the fore.

Net, net, the overall idea is to apply methods that best helps digital content players leverage their strengths. A successful digital business management undertaking should ideally (but not limit itself to) be scalable and enable monetization and personalization. Exciting yet challenging times clearly lie ahead for this space.



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