

Five trends for Australian telecoms in 2019

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Last year's trends How did we do?

Gloves off in the fight for mobile

In 2018 competition in the mobile market accelerated with new entrants and a focus on customer cohort segmentation.

Democratising broadband

This is still in progress. As predicted correctly we saw 2018 as a key migration year.

Scaling up eCommerce

Retail eTrends and online disruption were a hot topic in 2018, however less foreign disruptors penetrated the market than expected.

Tech smarts

We predicted the uptake and interest in all things IoT and even more so with the dependence of the 5G deployment. 2019 will see discussions on use cases and 5G handsets to be in stores by June.

Warming up to G2C

As expected G2C is a slow burn – given this is an election year it will be interesting to see how much this picks up in pace.



Taking a call on 5G

2019 is the year of the big leap in 5G, which promises to revolutionise experiences and open up new and 'futuristic' digital use cases. 5G means a lot to industries who are desperate to drive stagnant productivity through connecting assets better, consumers are demanding life-like experiences in areas such as gaming and retail, and telcos are hungry to deliver new services which generate new revenues. In an era of greater politico-economic complexity, Governments want digital to drive GDP growth, which is why countries such as the UK have adopted a "[5G industrial strategy](#)."

Monetization of the capital to deploy 5G small cells that will densify the network relies on focusing on where the demand is and slicing the network to optimize experience and capture new revenues. Coherent technology coordination across AI, Machine Learning, IoT, Security and Cloud is a must for scaling connected cars, smart homes, industries and cities. Whilst telcos have much to play for in 5G, they must make the most of 4.9G in the lead up – it is here and can be monetized further. [We see 5G being introduced in Australian cities in the final quarter](#).



Empowering the customer and building their trust

We see a wave of change in the telecommunications industry where the customer is far more empowered than before. Telcos have been slow to adopt new customer service paradigms, but Australia plans to lead the way in changing that. Major telco service providers are now embracing digitisation not only in the core business but also in how they empower the customer through replacing contracts and introducing subscription models, scaling apps on mobiles to select or bundle services, and to offer more simplicity in how customers make sure they can meet their personalised communications needs.

In 2019, expect to see launches of a first wave of customer empowering products and services, and later on to see simpler menus and choices for customers to tailor communications packages to suit them. Australian consumer trust has hit a low point in Financial Services and Aged Care, where both industries have seen [Royal Commissions](#). In 2019, telcos must be savvy and ensure they keep on the front foot in being responsible and transparent with customers.



Taco Tuesdays and other changes in the channel

2019 will see the evolution of digital channels as customers and enterprises change the way they [consume products and services](#). For example, Australians now spend \$2.6 billion every year on food delivery apps such as Menulog, UberEats, Deliveroo and Foodora, resulting in new buying trends such as "taco Tuesdays." How businesses go to market, whether B2C, B2B or B2B2C, requires increasingly smart and flexible combinations of ICT with on-ground, in-market distribution, fulfilment and delivery capabilities.

Telcos can invest smartly in understanding consumption behaviours better, responding with disruptive services to enable their "B2X" partners, and evolving their services and channels as these change profoundly in Australia in the coming years. As telcos overhaul the retail stores, they have a golden opportunity to weave this acceleration of consumer change into their plans. Digital IQ shifts plus demographic change and the rise of multi-cultural and multi-lingual buying power mean that the balance/mix/style of retail store, contact centre, and online service is changing faster than predicted.



Networks going over the top

Forever the industry has complained of “over-the-top” businesses riding in networks, but in 2019 telcos have an opportunity to take their networks over the top too. In B2B, telcos have to determine where to play in the delivery of more integrated products and services that combine high speed communications with AI, Big Data, Security and Storage. There will be a range of outcomes, vertical by vertical and segment to segment. But as telcos [digitise their businesses](#), they must build agility to capture OTT opportunities as well as enhance skills to provide smarter connectivity.

OTT players are moving in. Companies such as Google and Facebook are investing in high capacity networks in submarine, satellite and cable. In 2016 the pair teamed up to build the Pacific Light Cable Network, linking Los Angeles to Hong Kong. Others, such as Microsoft and Amazon, are spreading out from a base of offering cloud services to serving the B2B ICT needs of major corporates and SMEs. The next few years are critical for Aussie telcos in B2B, before new disruptors move in as they exhaust their hunger for growth in Asia.



The threat of a speed dichotomy

Over half way through the massive deployment of NBN's high-speed broadband network across our population, Australia has positioned itself to be the envy of the world with a world-class national broadband infrastructure. However, actual connectivity speeds enjoyed by Australian households remain lower than our peer OECD countries, raising the threat of a “speed dichotomy,” where there is a big difference between installed speeds and connected speeds.

In a bid to drive speeds and digital uptake, countries such as the UK, Finland, Singapore and Korea have adjusted regulatory settings as well as intensified competition to spur faster broadband uptake and [digitalisation](#). As we complete deploying our national broadband network, in 2019 we have an immense opportunity to consider how we will now realise our desire of being the fastest connected community, with all the digitization benefits that should bring into our homes, businesses, cities, schools and hospitals.

At PwC, we care about realising Always On Australia

The five trends draw on our long-term perspective for “Always On Australia”, a digitally-connected society which keeps this nation competitive, attracts global capital and talent, and keeps the Aussie way of life enriched, connected and current. As Australia's telcos seek to go agile, partner, interact nimbly across the value chain and break out of traditional industry boundaries, we see this as critical to building new value as the core fixed and mobile businesses commoditise.

We also see threats and complexity that telcos must be alert to, the need for new jobs and skills for the future, and the need for farsighted sector policy and regulation to encourage investment, competition and innovation and guarantee Aussies keep access to the quality and secure services they deserve. We look forward to discussing these and other trends with you further. Thank you.

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We would love to talk to you. Please contact any of our telecom practice leaders.



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