

Press Release - Smart Insights

Smart Insights Report: eSIM inception will reshape the telecoms industry

The latest Smart Insights Report: “eSIM to reshape mobile communication” covers the inception of embedded SIM (or eSIM or eUICC) technology and how it will transform the mobile communication industry. The technology consists simply in embedding the SIM in a handset rather than keeping it removable as it is now. The traditional SIM card industry is bound to see its volumes shrink due to this innovative technology.

MARSEILLE, FRANCE, September 14, 2015 - The just published **Smart Insights Report “eSIM to reshape mobile communication”** analyzes in detail the dynamics and the specificities of the innovative eSIM business on consumers devices. eSIM (or eUICC), an alternative form factor to a detachable SIM card is a soldered SIM card, an embedded SIM in the consumer’s device. The smart card is physically integrated into the device – *i.e.* it cannot be removed from the device and replaced with another SIM.

eSIMs have the same functions as removable SIMs, but promise to streamline the advantages of remote provisioning and subscription management. Changes in the architecture and the value chain will drive the emergence of new players and dynamic business models. Automation of subscription management and the appearance of an intermediary to manage subscriptions among multiple MNOs and end-users - a subscription manager - are likely to develop. Coming from M2M (machine to machine) and IoT (Internet of Things) markets, the eSIM has a huge potential to modernize the telecoms industry and the way connectivity is delivered to consumer devices such as wearable devices, tablets and smartphones.

For smartphones, the **Smart Insights Report “eSIM to reshape mobile communication,”** analyzes three possible adoption scenarios demonstrating that the adoption rate will be differently influenced by the players driving the disruption:

- **Scenario 1** - GAFAS drive adoption. GAFAS refer to Google, Apple, Facebook, Amazon, Samsung, but other large and innovation hungry competitors are also potential drivers for eSIM adoption,
- **Scenario 2** - Disrupter drive adoption. Disrupters include small and innovative players looking for an opportunity to disrupt the market and win their position among larger players,
- **Scenario 3** - MNOs drive adoption. Large MNOs will drive adoption motivated by the need to keep their position in the value chain and direct relationship with end-users.

Integration of eSIMs on smartphones will oblige OEMs to face a period where they will have to adapt their devices to support both eUICC and removable SIM. According to the different scenarios developed in the **Smart Insights Report “eSIM to reshape mobile communication,”** 346 to 864 million handsets with eSIM will be shipped yearly by 2020, and will impact the traditional SIM industry as 1,054 to 3,493 million SIM card units will be



missing. The traditional SIM card industry will see at least 16% of its shipments disappear by the end of the decade.

Thierry Spanjaard, CEO of Smart Insights declares: “The inception of eSIM will undoubtedly disrupt the telecom industry. We anticipate a premium for the first-mover that will trigger the leaders in each of our scenarios to launch eSIM offers. The traditional secure transactions industry has all the necessary resources to reposition itself from an industrial to a service provider positioning.”

Silvana Pintão, industry analyst for Smart Insights and author of the report adds: “Despite challenges, stakeholders show enthusiasm and motivation to modernize the industry. Once standardization is achieved, a large number of players is expected to embrace eSIM solutions and drive mass adoption.”

This **Smart Insights Report**, titled “**eSIM to reshape mobile communication**,” explores in detail the business models of the various eSIM stakeholders, and establishes three possible development scenarios for this exciting market. The research has been conducted combining Smart Insights long-standing experience in the secure transactions industry with interviews with key players in the telecoms industry, such as mobile network operators, standards organizations, technology developers and systems integrators specializing in this area, and leaders in the secure transactions industry.

The Smart Insights Report “eSIM to reshape mobile communication” is available at <http://www.smartinsights.net/Smart-Insights-Reports>

In related news, Smart Insights will be giving four conferences during World Smart Week 2015, the Connected Innovation Summer Forum, on September 15 - 17 in Marseille, France. Feel free to give us a call to arrange a meeting.

About Intelling:

Smart Insights Reports, along with **Smart Insights Weekly** and **Smart Insights Market Trends**, are published by **Intelling**, a consultancy headquartered in Marseille, France. Intelling is a consultancy with two expertise majors: marketing and strategy for secure transactions, smart cards, telecoms, payment, and convergence, as well as market intelligence, for all industry fields. Intelling is the publisher of Smart Insights Reports, that address secure transactions and smart card markets, providing an extensive qualitative and quantitative analysis.

More details are available at: www.smartinsights.net and www.intelling.com



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