

# Telecom Industry Overview



Ever-growing connectivity makes the world appear smaller and creates challenges and opportunities in the telecom space. In less than ten years, global broadband subscriptions have exploded, approaching seven billion. To put that figure in context, many consumers have multiple subscriptions; in the US, the typical person has three. Still, as Internet penetration expands further, more subscribers will challenge the ability of an already-crowded space to serve them.



## ***Did you know***

- Global telecom spending is more than **\$1.5 trillion** annually
- The number of Internet-connected devices will reach **125 billion by 2030**
- More than **80%** of organizations believe they are vulnerable to cyber attacks

More people seeking faster, cooler, and more reliable services will spur further innovation in the cloud. Among other things, the cloud provides scalability that can more quickly respond to shifts in market demand without requiring huge investments or taking significant losses. There is the added benefit of speed-to-market in introducing new services and shifting provider emphasis from maintenance and updates to central business services. Major global carriers such as AT&T, Vodafone, and Telefonica have moved data processing into the cloud.



## ***Trends to watch***

The concept of 5G is not new. Thus far, however, it has ridden on existing 4G infrastructure. What is known as stand-alone 5G is on the horizon. Its growing presence is connected to increased system capacity, lower latency, cost and energy savings, and the possibility of speeds 100 times faster than today. Meanwhile, other considerations are bubbling to the surface:

- Domestically, rural America is a dynamic, complicated, and potentially lucrative market. Municipal, county, and state governments are investing heavily to provide customers with more reliable and affordable services. A growing data center market will also extend broadband infrastructure and the economic opportunities that follow the fiber.
- Fixed wireless access has cut into the market share long enjoyed by cable companies by offering bundled services with varying price points and features. As true 5G spreads, the fixed market's growth could be impacted by limitations on scalability, but next-gen innovation is never far away.
- Artificial and virtual reality have only improved with time, and the infrastructure needed to support them has likewise improved. Telecoms could profit by offering higher-speed data plans to customers who need them.
- A datasphere boom is coming as the demand for processing and storage continues growing. For telecoms, this means preparing for increases in traffic and having the capacity to handle it. This is being fueled by the increased adoption of cloud computing and the sheer number of web-connected devices.

Further trends include artificial intelligence and how it can be used to optimize performance or create targeted marketing campaigns, the continued expansion of the Internet of Things, and the continued automation of business and IT processes. One last item that ties into several of these trends is the growth of edge computing, which is almost a counter to the cloud in that it de-centralizes data collection and storage. Key benefits include reduced bandwidth expenses and better performance from apps that rely on real-time readiness, such as the IoT.



## ***Possible concerns***

In a world dominated by the cloud and data, protecting both is a must. Ironically, security seems to become more of a concern with each new round of innovation – new capabilities tend to bring forth potential vulnerabilities that can be exploited. Nearly half of consumers think that keeping personal information secure is almost impossible, but they still expect a good-faith effort. As a backbone for delivering digital services – streaming, email, IoT – telecoms are a logical target for hackers.

A second challenge is the nature of the industry itself – telecom can be expensive, and everything from infrastructure to labor to eternal pressures like inflation must be balanced by revenue. That's not to say the industry will collapse, but telecoms and consumers alike face trade-offs. The sector also runs on large quantities of energy in a time of the conscious consumer, meaning that providers have to take a harder look at everything from powering operations to reducing waste.

Other considerations include:

- Modernizing is an issue that afflicts several legacy industries being dragged forward. For telecoms, this means adapting to changes in consumer expectations and perceptions, a fluctuating regulatory state, and shifts in business models.
- Infrastructure reliability is increasingly taxed as more devices are connected and more data flows through, creating price pressure for providers and customers.
- While not seen as a haven for remote work, the industry is feeling the pressure from employees who see how other sectors have adapted in the wake of the pandemic.

For every risk there is a means of mitigation, and that holds true for telecoms. Whether this involves forging partnerships as a strategic move, reshaping workplace culture, or addressing efficiency, each challenge contains a potential solution. The growth of 5G should enable the formation of new partnerships and approaches for reaching consumers, including a change in the fundamentals of the relationship. It's a digital era, which means telecoms must be providers of digital services, not just connectivity sources.



### ***How we fit***

More people using more tools more often means more of a demand for customer care. Trends within service change just as they do with everything else, whether communicating with customers through their preferred channels, ensuring first-time problem resolution, or supplementing live agents with virtual support. While self-service tools are becoming more widespread, most customers prefer to communicate with live agents.

The GlowTouch client list includes telecoms and other companies in the broader technology space. That experience has created a working knowledge of the service-related issues companies worry about: scalability to handle growth, flexibility for managing peak periods, consistent quality, and providing "wow" experiences.

- Data analytics for real-time insight that enhances the customer experience and supports client business outcomes
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