

Telecom Managed Services - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2021 - 2029

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Report description:

The Telecom Managed Services Market size is estimated at USD 25.87 billion in 2024, and is expected to reach USD 43.96 billion by 2029, growing at a CAGR of 11.19% during the forecast period (2024-2029).

The telecom sector is a significant market for managed services due to the high rate of various technological adoptions, increased frequency of confirmation of the BYOD policy (to make business operations much more comfortable and controllable), and the increased need for high-end security due to the rapidly increasing data among the organizations.

Key Highlights

- The telecom industry observed extensive growth during the past few years. Telecommunication companies are constantly pressured to deliver innovative services at lower costs to retain their customers in the competitive market. The factors, such as the constant requirement for network optimizations and the significant level of network performance, advancements in technologies, such as SDN, 5G, and NFV, growing smartphone usage and BYOD trends, and the growing number of cyber-attacks, will further encourage the growth of the telecom managed services market during the forecast period.
- Since telecom businesses are increasing rapidly, enterprises frequently rely on MSPs (Managed Service Providers). An MSP helps enterprises achieve excellent business outcomes by providing a significant level of service. The companies mostly face several challenges in terms of revenue, business transformation, cost implementation, and heightened competition in the marketplace in the telecom sector, due to which they depend on MNOs and CSPs. Moreover, various SD-WAN-managed service providers distinguish themselves with a broad range of security offerings. For instance, Cato Networks gives a cloud-native platform that includes NGFW, Advanced Threat Prevention, CloudSecure Web Gateway, Mobile Access Protection, and Managed Threat Detection and Response service.
- Telecom companies are also acquiring managed service providers to gain a more significant market share. For instance, recently

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this year, Networking systems, services, and software provider Ciena Corporation revealed that it had signed a binding agreement to buy privately held Tibit Communications, Inc. with headquarters in Petaluma, California, as well as privately held Benu Networks, Inc. with offices in Burlington, Massachusetts. Tibit and Benu mainly focus on simplifying broadband access networks with enhanced subscriber management and next-generation PON technologies.

-Determinants, such as security concerns related to the confidentiality of data of businesses that are outsourcing the business and assuring the optimum business functionality of the clients, are expected to restrict the market growth during the forecast period.

-However, due to the COVID-19 outbreak, operational services, like telecom managed services and support services, were affected globally. Moreover, due to this pandemic, a broad range of firms has significantly undergone a long-term work-from-home culture. Hence, most organizations are turning to service providers for their ability to minimize various security-related risks with the value-added service they offer, which drives the market exponentially.

Telecom Managed Services Market Trends

Rise in the Usage of Cloud Computing is Expected to Drive the Market Growth Significantly

- The telecom sectors have been significantly impacted by cloud computing. For the past five years, cloud computing has experienced tremendous growth in popularity. It greatly affects the business, technology, and information technology sectors. This has caused a rise in global spending on cloud computing. Overall, it decreased operational and administrative costs in the telecom sector while preserving unified communication and teamwork with an extensive Content Delivery Network. Cloud service providers let the telecom industry concentrate on core business functions rather than IT, server updates, or upkeep concerns.

- The primary drivers of the market's growth are the increasing adoption of cloud computing technologies, especially by small and medium-sized businesses, and the rapid advancement of technology, including mobility and big data services, to improve operational efficiency. Cloud Computing offers a broad range of opportunities in the telecom industry. It could help companies improve their business and use technology more efficiently, so it has significantly increased the reach of telecommunications worldwide using advanced technologies. Some of its benefits include Cloud Delivery Model, Communication Services, Network Services, Highly scalable and flexible infrastructure, Efficient and flexible resource allocation and management, etc. Moreover, using cloud computing, service providers can provide software at lower rates with the help of virtualization and provisioning software, allocating efficient computing resources and thus reducing hardware costs as well.

- The market is witnessing several acquisitions, mergers, and investments by key players as part of its strategy to improvise business and its presence to reach customers and meet their requirements for various applications. For instance, recently, in the last quarter of this year, Colt Technology Services and IBM's cooperative relationship took a new direction when the two joined up to open a new Industry 4.0 lab in the United Kingdom where businesses can try edge cloud services. While IBM will give its Maximo Application Suite and Cloud Satellite hybrid cloud, Colt will contribute its Colt Edge computing platform and SD-WAN technology. With three critical edge use cases-visual inspection-based inferencing, supply chain telemetry, threat monitoring, and data protection-the duo initially focuses on the manufacturing industry.

- Moreover, in the Q4 of the year 2022, Amazon Web Services declared the introduction of a new cloud computing region in Switzerland. Through 2036, the corporation would add 2,500 full-time employees yearly in various sectors, including engineering, telecommunications, facility maintenance, and construction, due to the Europe AWS area. According to AWS, three availability zones make up the new cloud region in Zurich. Each availability zone's data centers have access to separate power, physical security, a cooling system, and a low-latency network connection. These availability zones should offer improved fault tolerance for high-availability applications to ensure minimal service interruption.

- As per Digital Ocean, In 2021, 74 % of enterprises indicated using cloud hosting/infrastructure services such as AWS EC2 or Azure VMs. Enterprises are also using the platform as a service (PaaS) solution, including Heroku or Azure App Service, to a great extent. Notably, traditional small and midsize businesses generally use fewer cloud services and therefore have less complex cloud setups. Hence the overall rise in the usage of cloud hosting/infrastructure services by enterprises will drive the market

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exponentially.

North America to Dominate the Telecom Managed Services Market

- North America held the most significant market share and is anticipated to dominate the telecom-managed services market during the forecast period. The market will experience an abrupt rise in this region. The factors encouraging the growth of the market in North America include quickly evolving technological developments, the presence of the world's largest telecom firms looking to optimize their network investments & intensify customer satisfaction, and rising network cyber-attacks in this region.
- Moreover, the rise in misconfigured servers within the region is also one of the significant reasons behind the market expansion. Various firms are experiencing misconfigured servers which lead to the prime cause of personal data being compromised. Hence, they are significantly turning to telecom-managed service providers for their overall ability to reduce security-related risks with their value-added services. Recently this year, Microsoft, a US-based company, confirmed that a misconfiguration of a Microsoft server endpoint exposed specific customer data, including emails and personal information. SOCRadar has identified that sensitive data of around 65,000 entities became public due to this misconfigured server. Hence, the rise in misconfigured servers in the region significantly drives the market's growth.
- Moreover, with the speedy acceleration of modern technology and the need for streamlined IT functions, an increasing number of businesses in the region are finding it best to keep pace with the help of Telecom MSP. Additionally, the market is witnessing various product launches and innovations by key players as part of its strategy to improve business and their presence to reach customers and meet their requirements for multiple applications.
- For instance, earlier this year, to provide fast, flexible, and secure wireless cellular access to any number of fixed sites, anywhere, AT&T offered AT&T Managed Wireless WAN, a plug-and-play system run by AT&T network professionals. Moreover, in the 2nd quarter of this year, Emersion, whose powerful business automation platform supercharges billing, provisioning, and order flow for telecom, MSP, and utility businesses, announced the acceleration of its presence in North America.
- Further, the penetration of smartphones and tablets is increasing in the United States, which in turn is driving the BYOD policy. The increasing penetration of devices and robust network connectivity across the region are expected to encourage organizations to adopt BYOD policies. Additionally, the presence of key telecom players in the region and the increasing deployment of data centers is expected to drive the market. Also, the rise in the need for improved operational efficiency and reliability in business processes is exponentially driving the market in the region.

Telecom Managed Services Industry Overview

The telecom-managed services market is consolidated, and significant players dominate it. Primary vendors across various verticals are planning for considerable investments in this market. As a result, the market is poised to grow at an extraordinary rate in the upcoming years. The principal players are embracing several organic and inorganic growth strategies, like mergers and acquisitions, collaboration and partnerships, and joint ventures, to gain a strong position in the market. Some of the critical development in the market are:

- November 2022 - Agility Communications Group, a provider in the telecommunications sector, has been acquired by BlackPoint IT Services. The key reason behind this is to provide end-to-end IT services and telecoms with even more comprehensive capabilities to assist their clientele across the United States and their branch offices in Asia and Europe.
- August 2022 - As part of its flagship retail program, Verizon and Nova Credit, the top consumer-permission credit agency in the world, have announced that they have expanded their partnership to conduct foreign credit checks for clients new to the country over the phone and in some Verizon stores. With the help of this cooperation, Verizon will be able to pull prospective customers'

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international credit files and convert them into credit scores that could make them eligible for financing.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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