

IoT Revenue Opportunities

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The Internet of Things (IoT) offers tremendous revenue opportunities for communication service providers (CSPs). Why is that, and how can CSPs seize these opportunities? First, underpinning every data exchange between internet-enabled devices, from driverless cars to smart meters, is a whole support system that can be a source of additional revenue. CSPs run the networks that the IoT requires to operate, so there's significant potential for the generation of additional revenue. Savvy CSPs will be poised to realize that revenue.



Further opportunities include additional revenue from services. That's because organizations don't just need connected devices; the central value proposition includes developing services that depend on the data these devices generate entwined with the efficiency and reliability with which they operate. CSPs should be using their position as network operators to provide services such as data storage, exposure, and analytics. In addition, they should be offering predictive maintenance or even artificial intelligence as a service and examining ways to upgrade and refine their communications solution.

This is a market that's exploding with growth. BCC Research has predicted, for example, that the global market for IoT networking solutions will be worth [\\$1 trillion by 2022](#). However, CSPs need to continue to expand upon the services they are offering if they are to benefit from this market boom.

Monetizing the Internet of Things

CSPs already have a relationship with most verticals and businesses, and they should be using the insight gained from their work to develop services and solutions tailored to the specific issues that their clients face. CSPs have the data; they now need to use it. However, [Ericsson](#) found that more than two-thirds of telecom operators did not have a "well-defined IoT strategy."

An essential step in developing a strategy lies in the strength of the customer relationship. CSPs need to know what their customers' needs are. They need to know what technology their customers use, what they use it for—and why. Does the organization have requirements that it is struggling to address? By offering clients additional services, CSPs can help to make their businesses more efficient and productive, increasing the chances of maintaining a loyal and long-lasting partnership.

CSPs are sitting on a goldmine

Many CSPs have yet to explore the potential of the Internet of Things. The data generated by connected devices can create significant revenue for those CSPs that develop ways to analyze it and develop business solutions from the insights discovered. For innovative CSPs, it's not just about charging businesses to transmit data from device to device; it's about providing a whole suite of services that offer real benefits to clients.

CSPs that want to thrive in our increasingly connected world will need to embrace a new way of working that focuses on four essential elements: virtualization, automation, scalability, and flexibility. Those that continue to focus exclusively on traditional revenue streams will fall behind their competitors as they adapt and thrive in the connected world.

Servicing existing demand for data hosting and storage

Communication service providers have been slow to develop hosting and storage solutions for clients that use connected devices. By providing their clients with cloud-based services, CSPs can ensure that they offer a flexible service that can be easily scaled up or down to deal with varying volumes of data. It's both cost-effective and allows CSPs to provide valuable data analytics services to their clients.

Analytics that drive innovation

It's not good enough to provide post-mortem data analysis. These days, businesses need to see actionable insights in real-time, allowing them the flexibility to make changes to the service instantly and minimizing disruption to clients.

What's needed is a data analytics solution that collects data, processes it instantly, and enacts automated solutions to issues immediately. Operators should be able to tell what problems are occurring, what devices or software may be causing the issue, and how widespread the service disruption is.

The data generated by connected devices can also show operators developing trends in how connected devices are being used, allowing them to create new products and services that support their clients' business operations.

Analytics has three primary applications in business: to improve efficiency, enhance the customer experience, and to advance innovation. CSPs that understand which of these factors is most important to their clients will be able to tailor and package a solution suitable for their needs.

Saving money via predictive maintenance

This real-time data analytics capability can be used to support predictive maintenance, providing CSPs with another service that they can offer their clients in exchange for additional revenue.

At Comarch, we use sensors to gather data from various machines—such as lamps and electrical substations—to monitor performance and [predict when clients will need to service their machines and devices](#). This insight both minimizes downtime and creates business efficiencies as it reduces the number of inspections and service calls.

As artificial intelligence and machine learning become more commonplace, we'll see predictive maintenance solutions increase in automation capabilities. Offering automated predictive maintenance as a service will set CSPs apart from competitors and give them another way to generate revenue from the Internet of Things.

Creating an upgraded service

Ultimately, we are talking about a holy trinity of opportunities. The combination of greater access to data, the ability to analyze it for actionable insights, and the capability to use that data to power predictive maintenance allows CSPs to focus on the customer experience. For some CSPs, this may mean making their services more efficient or providing greater product capabilities and customer care. Other CSPs may choose to focus on enhancing autonomous systems and self-service.

What's clear is that it is the access to this data and the flexibility to implement solutions that allow CSPs to offer an upgraded service, improve the customer experience and, as a consequence, reduce customer churn. By focusing on how data can best serve the client, communication service

providers create additional revenue opportunities built to last.

Communication service providers are facing stiff competition from OTT providers and, so far, many CSPs have failed to use the data they have to its full advantage. CSPs can no longer rely on their traditional business models to stay in business, let alone thrive in an age where the industry is preparing for 5G and even higher levels of connectivity.

CSPs need to be willing to change the way they operate. They need to be able to analyze and use the vast quantities of data generated by connected devices to develop new solutions and service efficiencies.

This requires a certain level of flexibility and significant insight into what each client needs (and how the data they hold can address these needs). CSPs that get this right will be able to reduce operating costs and create new streams of revenue in an increasingly connected— and competitive—world.