

# **TOP 5 GROWTH OPPORTUNITIES IN THE ASIA-PACIFIC TELECOMS AND PAYMENTS INDUSTRY FOR 2021**

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**Mei Lee leads Mobile & Wireless Research for Asia-Pacific and focuses on telecoms and payments strategy.**

**Supported by her expert team, she drives thought leadership in telecoms and payments strategy and mobile digital services research.**

## **Join Mei Lee at CommunicAsia 2021**

### **Topic: Viable Business Models to Appeal to 5G Enterprises**

- Exploring different business models that telco operators can take on to attract enterprises
- The rise of aaS models - Where should telco operators focus their resources on?
- Key to winning enterprises over: Flexibility to customise off-the-shelf platforms

**Date: Thurs, 15 July 2021**

**Venue: Marina Bay Sands Singapore, and Online**



14 -15 July 2021 (Hybrid)  
16 July 2021 (Virtual Only)

**Anchor Event OF:**



**Asia Tech x Singapore**



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# State of the Industry

## What You Need to Know Now

The availability of new technologies and business models have enabled consumers to have better access to telecommunications and payments services globally.

In Asia-Pacific, this means constant improvements in telecommunications networks and the rise of digital financial services against the growing digital economy backdrop.

The spread of the COVID-19 pandemic in 2020 has accelerated commercial adoption of these services as consumers have become more home-bound.

There were 4.3 billion people in Asia-Pacific as of January 2020, of which 56.3% are Internet users. Due to COVID-19, Internet traffic in the region has increased by 20% - 25% in terms of daily volume.

In the payments industry, 75% of the consumers in Asia-Pacific would continue using contactless payments after the pandemic is over. Consumers cited safety and cleanliness as the main drivers to continue the usage of contactless payments post-COVID-19.

# 1

## ASIA-PACIFIC MEGATRENDS ARE ACCELERATING INDUSTRY DIGITAL TRANSFORMATION

This trend will enable growth of 5G enterprise solutions.

The revenue potential for 5G enterprises in Asia-Pacific is expected to grow at a CAGR 46.4% from 2019 to 2024; to reach \$13.90 billion by 2024.

### What is Driving Growth?

- The rise in aging population, declining or slow population growth and increase in megacities are requiring vertical markets to address the shortage of skilled labor and increasing consumer demands.
- COVID-19 is expediting the shift to digital for many industries.

### Recommendations & Best Practices

#### Use of 5G for niche services

- to enable emerging technologies such as automation, edge computing, network slicing and artificial intelligence
- to improve productivity, enable Internet of Things-enabled use cases, increase bandwidth and harness the massive amounts of data generated

# 2

## GAMING, A KEY ACTIVITY IN ASIA- PACIFIC, WILL DRIVE 5G GROWTH

This trend will enable mobile operators to gain revenue from increasing 5G consumer adoption.

The Asia-Pacific gaming sector has approximately 1 billion gamers and will account for 25% to 50% of 5G traffic by 2022.

### What is Driving Growth?

- Mobile Internet penetration is expected to reach 62% by 2025.
- Increasing demand and propensity to pay for higher speeds and mobility in the gaming sector.
- High growth in the gaming sector at CAGR of 25% between 2015 and 2019 with 70% of revenue generated on mobile platforms.

### Recommendations

#### Leverage on partnerships with cloud gaming providers

- to help mobile operators drive data traffic growth and unlock new revenue streams through the use of network slicing

# 3

## B2B AUTOMATED CLEARING HOUSE (ACH) PAYMENTS ARE ON THE RISE

This trend will enable businesses to improve processes and unlock seamless cross-border transactions.

The COVID-19 pandemic has increased same-day ACH transactions by 33% QoQ in 2020 and this will continue to rise further.



### What is Driving Growth?

- The digitisation of accounts receivable and accounts payable processes has increased customer satisfaction.
- Restrictions on the commute to banks to cash cheques have led to longer day sales outstanding.



### Best Practices

#### Use of data analytics

- to aid business analysis and customer lifecycle management

#### Use of digital currencies

- to minimise fraud risk and improve transaction processes

# 4

## DIGITAL BILLING AND PAYMENTS PLATFORMS TO BECOME PREVALENT

This trend will enable businesses to create new value for buyers through portal/mobile dashboards that offer payments process operational functionality, financial control and security.

With digital billing and payments platforms, businesses can increase productivity levels to 30% resulting in up to \$150,000 in annual savings.

### What is Driving Growth?

- The increase in the geographic expansion of SMEs, especially in eCommerce, leading to an increase in cross-border payments.
- Efficiency improvements in supply chain management.

### Recommendations & Best Practices

#### Use of real-time cross-border settlement systems

- to enable global digital payments

#### Enablement of standard settlement systems and interoperability between real-time payment systems in different countries

- to facilitate global digital payments



# 5

## ADOPTION OF DIGITAL CHANNELS TO COMPLEMENT EXISTING IN-STORE REMITTANCE SERVICES

This trend will enable cross-border payments and remittance providers to benefit from cost efficiency, enhanced customer experience and reduced transaction time.

The potential transaction value for digital remittance in Asia-Pacific is expected to grow at a CAGR 23.5% from 2019 to 2026, reaching \$269.78 billion by 2026.

### What is Driving Growth?

- The ubiquity of mobile phones provides the necessary platform for consumers to conduct safe and convenient digital financial services.
- Increasing competition from new entrants that offer attractive rates and service to address the global effort to drive decline of remittance transaction fees.

### Recommendations & Best Practices

- The ubiquity of mobile phones provides the necessary platform for consumers to conduct safe and convenient digital financial services.
- Increasing competition from new entrants that offer attractive rates and service to address the global effort to drive decline of remittance transaction fees.

# What Lies Ahead –

## Future Outlook

Over the next few years, mobile operators in Asia-Pacific will continue to deploy and commercialize 5G. The exact timeline for each country will differ based on a number of factors, including government push and market drive.

The availability of 5G in the region will expedite the pace of digital transformation of industry verticals. Currently, there is still work to understand end-user needs, partner fit and the go-to-market (GTM) plan for an effective implementation of 5G within enterprises.

The gaming sector will drive revenue for the 5G consumer segment while innovation will drive 5G enterprise growth.

The payments industry will become more interoperable, supported by smarter and faster payments infrastructure. The need to scale payment system capabilities will be a strategic imperative as cash usage declines in the region.

For businesses, data analytics will become a key feature which will provide payment services providers with an edge over their competitors. For consumers, the adoption of digital currencies may increase, although traditional currencies will continue to prevail for years to come.

If paired with payments, 5G can revolutionize the way consumers interact and the way enterprises compete.

# Thank You

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