

DIGITAL BUSINESS MODELS FOR ECONOMIC GROWTH AND DEVELOPMENT

**ITU REGIONAL WORKSHOP ON STRENGTHENING
CAPABILITIES IN INTERNATIONAL INTERNET
GOVERNANCE**

THE DIGITAL TRANSFORMATION

Digital Transformation

A concept that has emerged in recent years related to the transformation of business and business processes into a new reality focused on digital assets

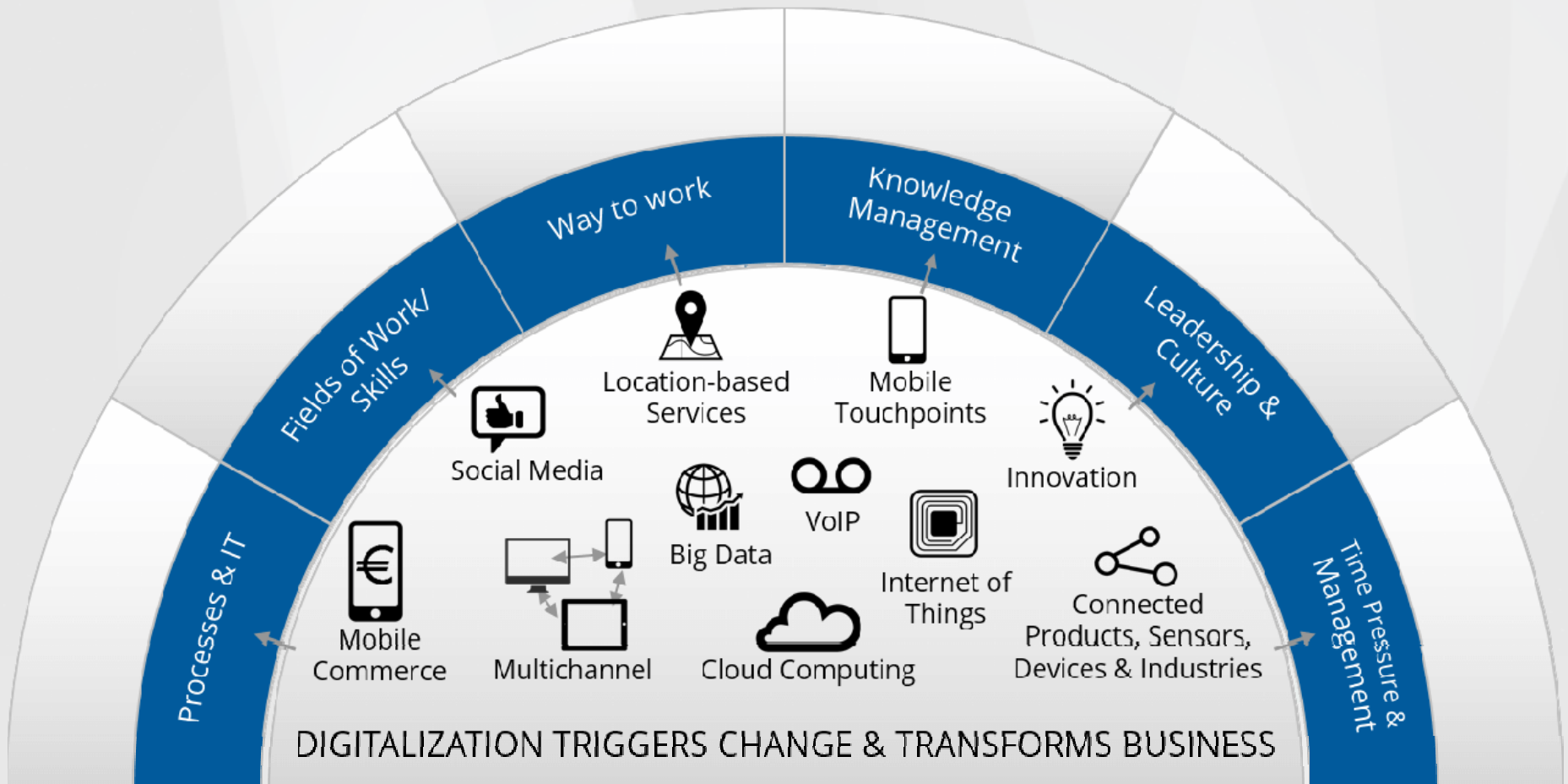
New Management Paradigms



New Business Models



Digital Transformation



Original Level Playing Field

High sunk costs.
Network externalities.
Economies of scale and scope.
Termination Monopoly.



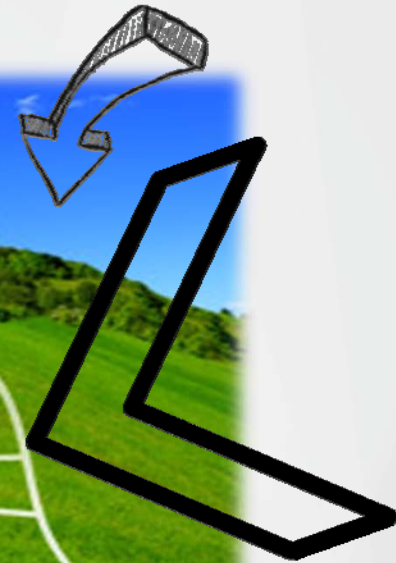
Mandatory network opening.
Conditions approved in isonomic terms.
Administrative Arbitration.
Price control



New Level Playing Field

New
stakeholders

New essential
facilities



Perfomance

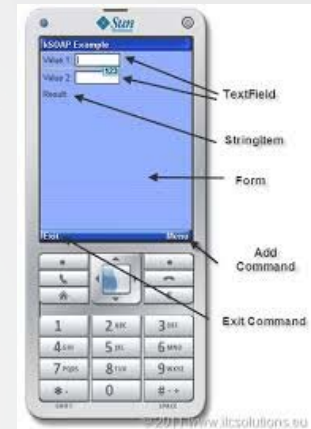
New
Business

Digital
Transformation



BUSINESS MODELS IS IMPORTANT...

A short story...



A short story...



Loss of attractiveness

Alligator Mouth
Effect



OTT

Telecom



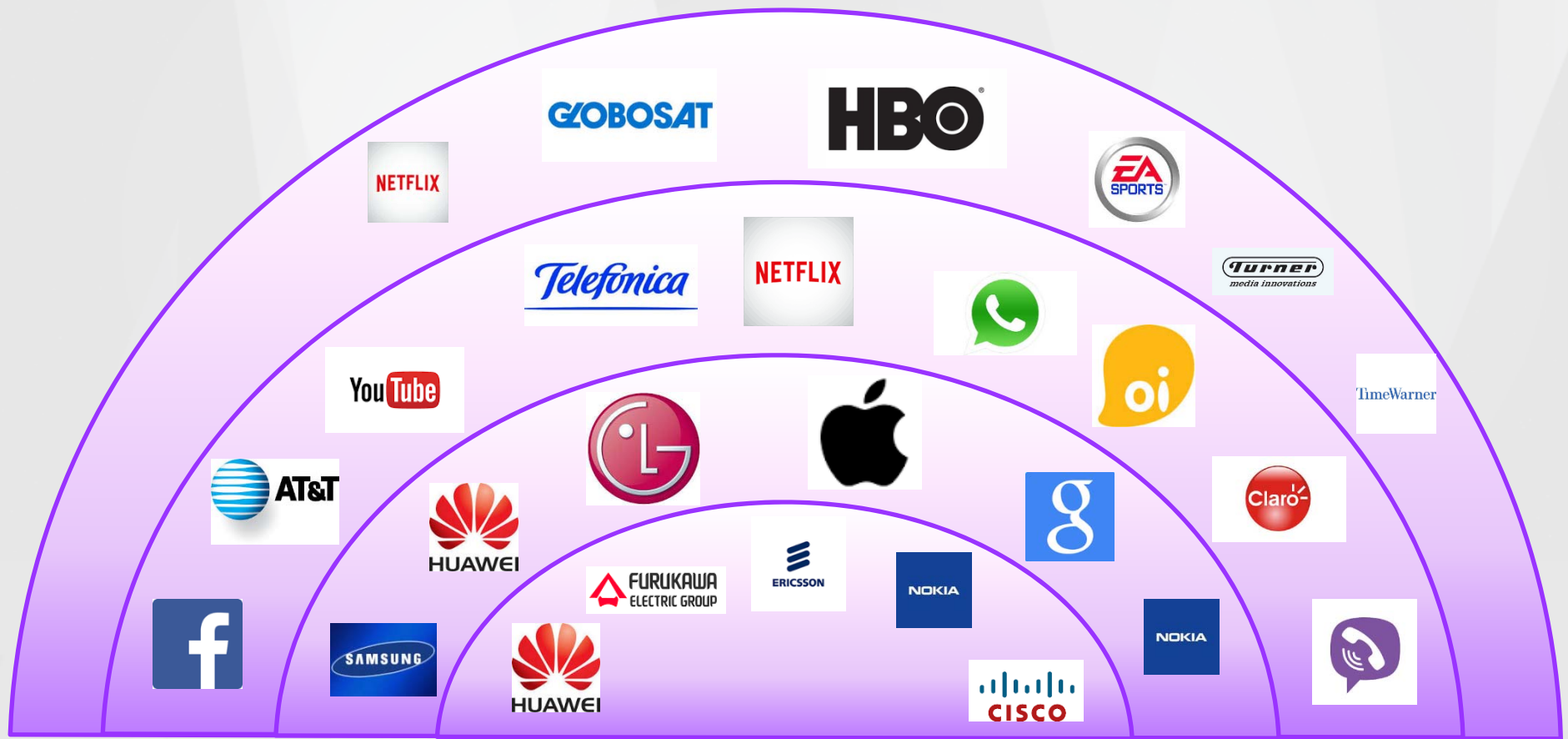
Factors that explain reduced profitability

- Data revenues and VAS lower than expected;
- Increase of the required data capacity, specially for video applications, demanding constant investments;
- High competition at profitable areas;



ICT INDUSTRY POSSIBILITIES...

New Industry Dinamic



Possible Future

Consolidaiton



New Business Models



Verticalization



New Business Models



Big Data



Digital
Financial
Services



IoT



Content



New Business Trends

Big Data and IT Services



By 2020, the number of devices connected to the Internet is expected to exceed 40 billion.
We're just getting started

The Big Data provides a 360 degree view of the customers, the Telecom players have experience into provide multiple services (voice, data), so the Big Data is a natural path for them to providing multiple ICT services (cloud, SaaS) over the actual platform.



New Business Trends

Internet of Things



Many industry experts and excited consumers have pegged The Internet of Things (IoT) as the next Industrial Revolution or the Next Internet. Why? Because it will be the future of the way businesses, governments, and consumers interact with the physical world.



New Business Trends



IoT - NTT

The screenshot shows the NTT Communications website for Machine-to-Machine (M2M) services. The header includes the NTT Communications logo and navigation links for Services, Network, and Machine-to-Machine. The main content area features the title "Machine-to-Machine (M2M)" and a sub-header "Arcstar Universal One Mobile Global M2M". Below this, there are four key features listed: "Global M2M" (One global SIM, machine-to-machine network coverage in over 190 countries), "Secure" (Secure global machine-to-machine transmission through networks isolated from the Internet), and "Manageable" (Efficiently global manage M2M service from a single customer portal for smoother operations). A blue diamond-shaped graphic on the right contains the text "Analyst Reports: Gartner: NTT Communications Positioned as a 'Leader' in Gartner 2015 Magic Quadrant". A yellow button at the bottom right says "CONTACT OUR EXPERTS".



IoT - Vivo

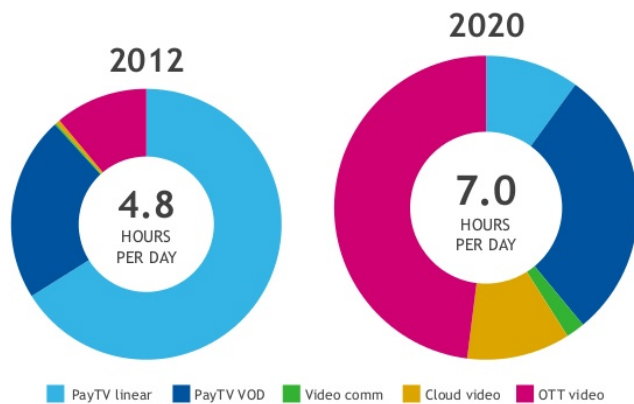
The screenshot shows the Vivo Empresas website for M2M services. The header includes the "vivo EMPRESAS" logo and a search bar. Below the header, there is a navigation bar with links for "Móvel", "Voz Fixa", "Internet e TV", "Combos", "Cloud", "Rede de Dados", "Soluções Digitais", "Atendimento", and "Assine Já". The main content area features the title "M2M" and the subtitle "Serviços de tráfego de dados". Below this, there is a section titled "Vivo M2M e Smart Center" with a description: "Pacotes de tráfego de dados desenvolvidos para clientes que utilizam sistemas e dispositivos remotos." and a paragraph explaining that M2M solutions are technologies that give capacity to systems, with or without a wire, to communicate with other devices, enabling the operation of solutions of security, tracking and telemetry, remote control. A photo of a man and a woman looking at a tablet is shown on the right.



New Business Trends

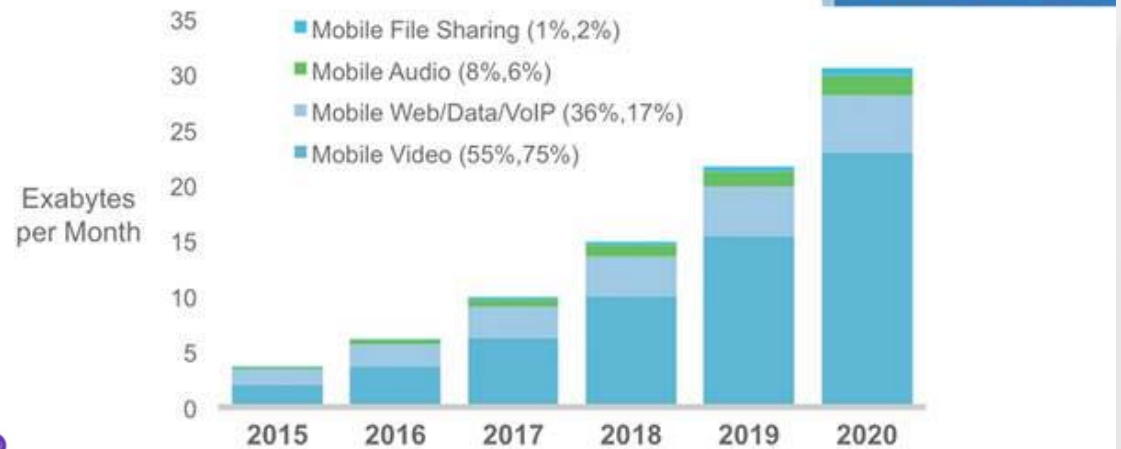
Content

THE VIDEO DELIVERY MODEL IS SHIFTING



Sources: Bell Labs, 2012

Alcatel-Lucent



Source: Cisco VNI: Global Mobile Data Traffic Forecast Update, 2015-2020 White Paper

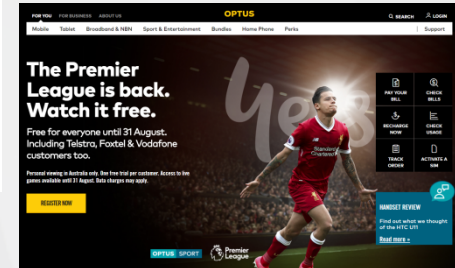
Video Content is a key business trend in special because of the Advertising Market



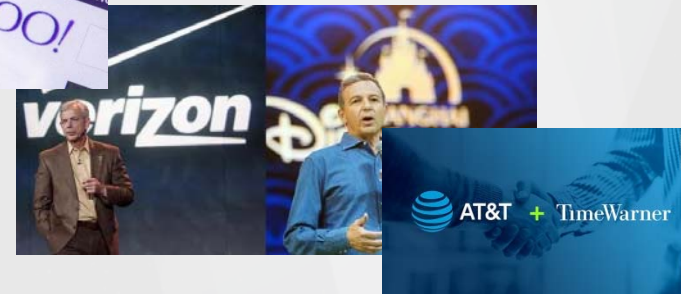
New Business Trends



CONTENT - Optus

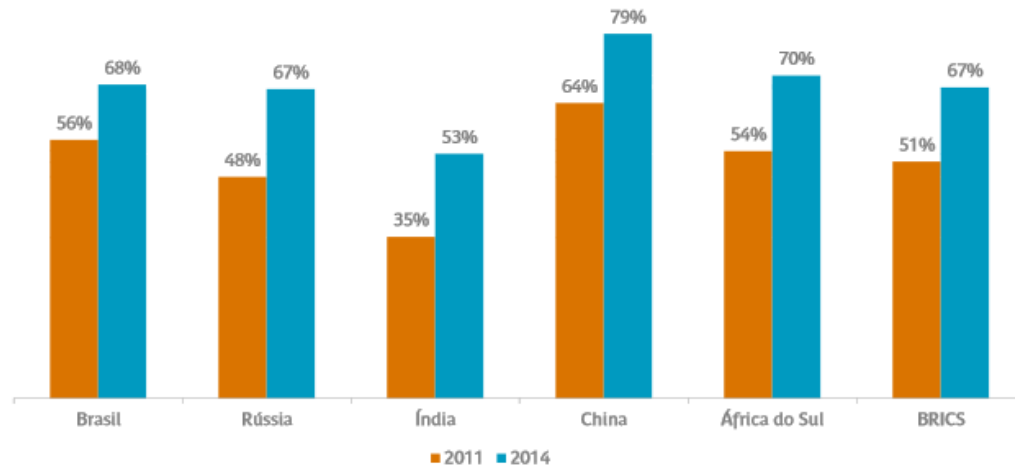


CONTENT



New Business Trends

Digital Financial Services



Fontes: *Global Findex 2011* e *Global Findex 2014* (<<http://datatopics.worldbank.org/financialinclusion/home>, <http://databank.worldbank.org/data/views/reports/tableview.aspx?isshared=true>>)

Despite being a very bancarized country, there is a contingent of more *than* 40 million Brazilians without any relationship with a financial institution



New Business Trends



MFS - Tigo

tigo**money**



MFS - Safaricom (Vodafone)

M-Pesa by the numbers

18 million

active users in Kenya, where the service launched in March 2007

614 million

M-Pesa transactions were processed during December 2016 and

6 billion

transactions over 2

287,400

agents worldwide providing services to users

2%

of Kenyan households out of extreme poverty through access to money services

Source: Vodafone, Safaricom, MIT



MFS - Vivo e Oi

oi
paggo



THANK YOU

Abraão Balbino e Silva
Superintendent of Competition

