

The eSIM Consumer Pulse 2022

Consumers are keen to use eSIM, excited about the first Apple eSIM-only iPhone



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Introduction

September 2022 – the exact right time to check consumer pulse about eSIM

- 01 Since the first eSIM emerged about seven years ago, we at Amdocs dreamed, planned, built and promoted the best solution we could, to enable the world to enjoy the technology when the time was right.
- 02 But this month marks a special milestone for eSIM.
- 03 Apple, the leading device manufacturer, is launching its inaugural eSIM-only iPhone model. After years of offering the technology alongside the traditional plastic SIM, it's a move that strongly signals that the end of traditional SIM is on the horizon and the eSIM train has left the station for good.
- 04
- 05 That's why we believe now is the perfect time to check the consumer pulse on eSIM... What people know about it, their expectations, preferences and how ready they are for this new era.
- 06 From the findings of our recent survey, OEMs and traditional telcos have a lot to learn about the technology's status in today's consumer market.
- 07

***Yet the overall message is loud and clear:
Consumers are ready for eSIM and telcos need to start responding now – and fast – to satisfy the demand.***



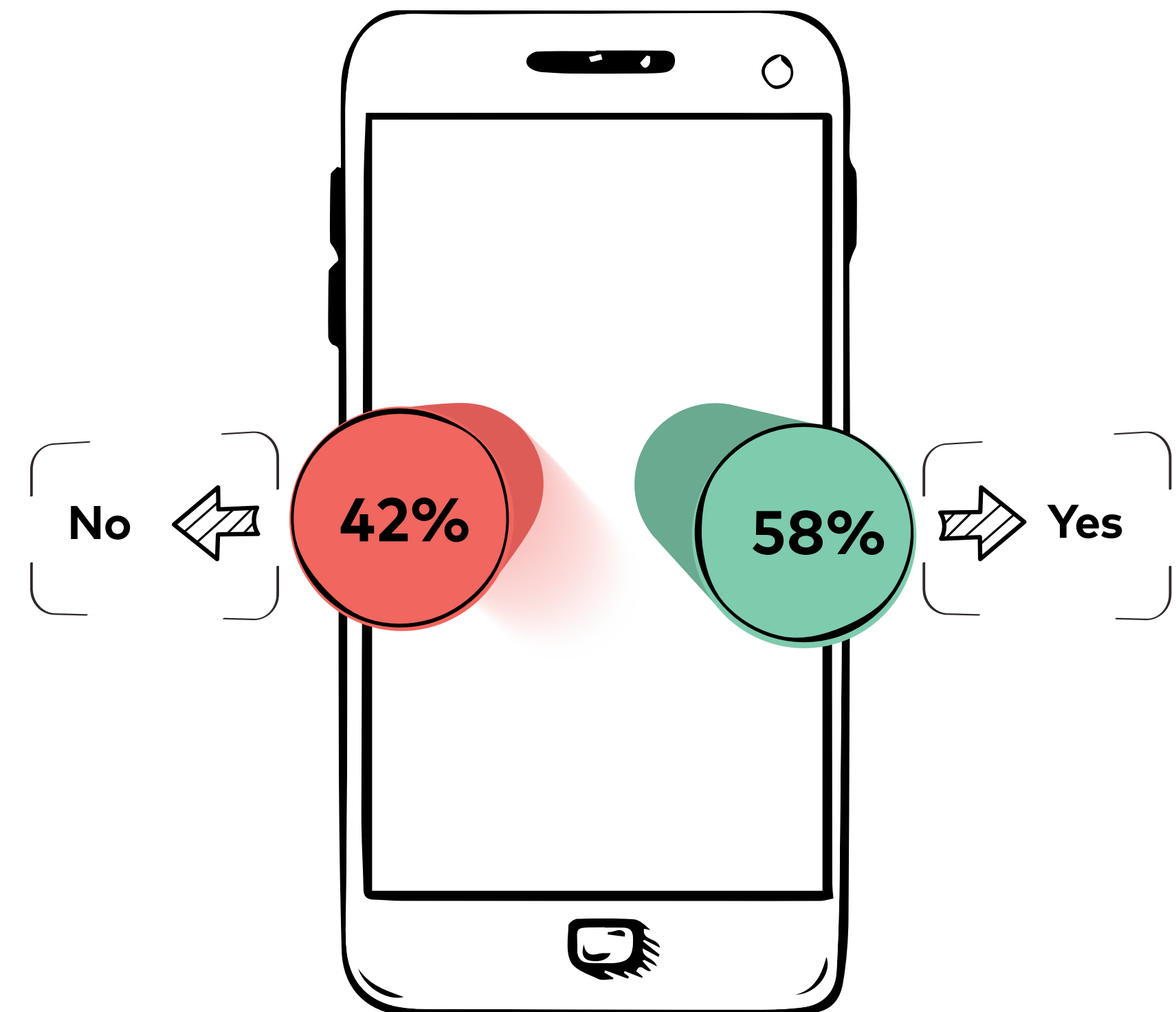
Do I know what eSIM is?

In the context of SIM cards for mobile phones, tablets and other devices, do you know what an electronic SIM?

- ▶ 01 **More than 40% of consumers are still not familiar with eSIM.**
- ▶ 02 **eSIM.**

Why? Simply put, until now, telcos did a great job 'hiding' the technology, to the point that only half of consumers have been exposed to it. Yet with today's widespread popularity of digital services, we're confident that once eSIMs are more actively promoted, it will immediately win consumers' hearts.

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Yet if telcos want to achieve rapid and widespread rollout, they'll first need to educate consumers about the technology's benefits.

Does my device support eSIM?

An eSIM is an embedded, digital SIM that enables you to activate a cellular plan from a network provider without the need for a physical SIM card in the device. Does your current mobile phone support eSIM?

➤ 01 **Consumers have low awareness levels whether their device supports eSIM or not.**

➤ 02 Do you even know if your device supports eSIM? If you don't, you're not alone. In fact, we found very low awareness levels amongst the people we surveyed.

➤ 03 While only 32% believed their devices had eSIM functionality, when we checked their phone models, the actual proportion that supported the technology was a whopping 74%.

➤ 04

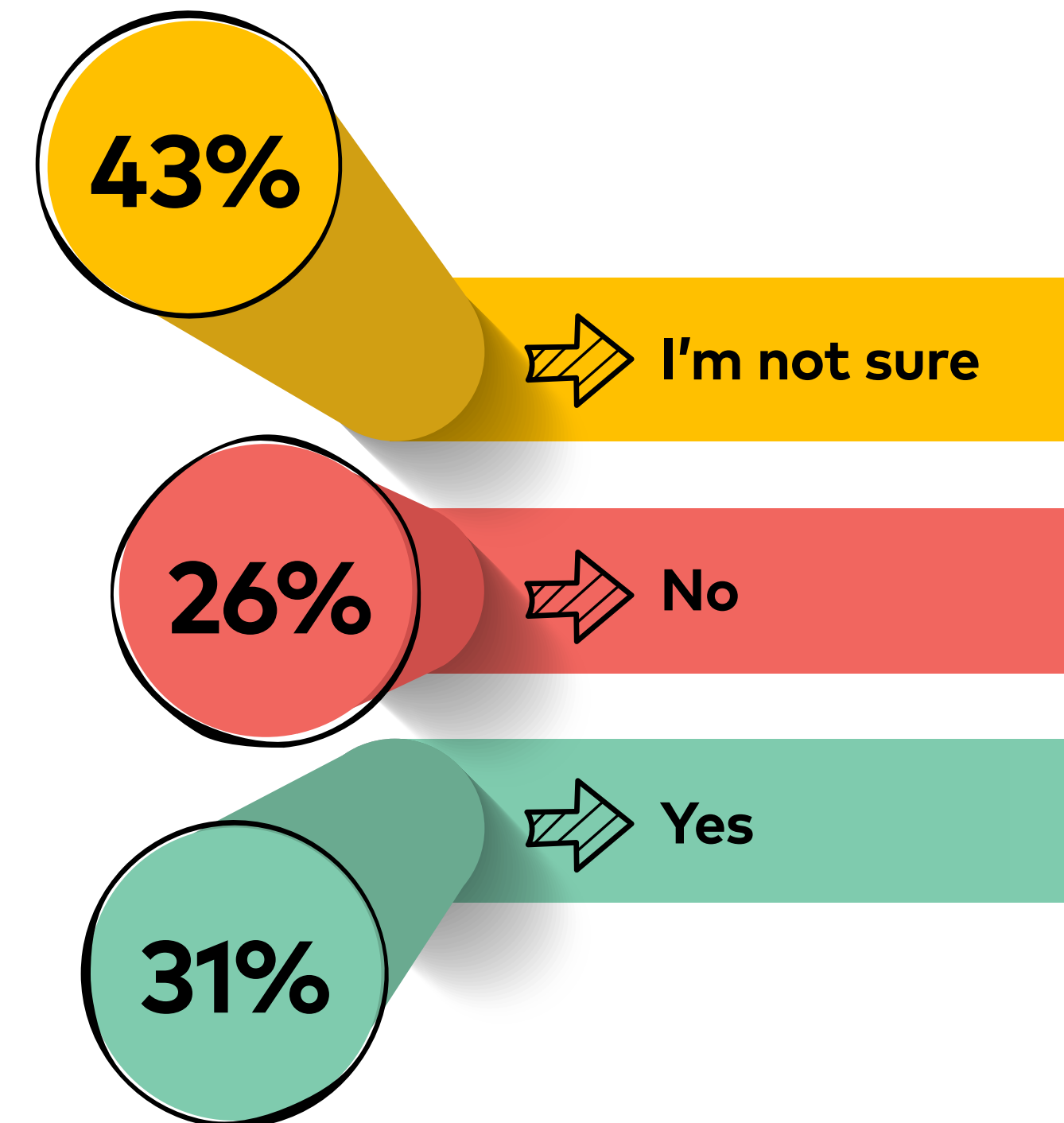
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And of the 75% who said their device was not eSIM-compatible, our checks revealed that the **majority were wrong!**

Interestingly, the survey also found that such confusion is ripe even amongst respondents who were aware of the technology and the benefits it offers.



In addition to explaining to consumers about what eSIM is, telcos will need to guide them on checking if their device supports it, as well as how to use it.

The most exciting thing about eSIM is...

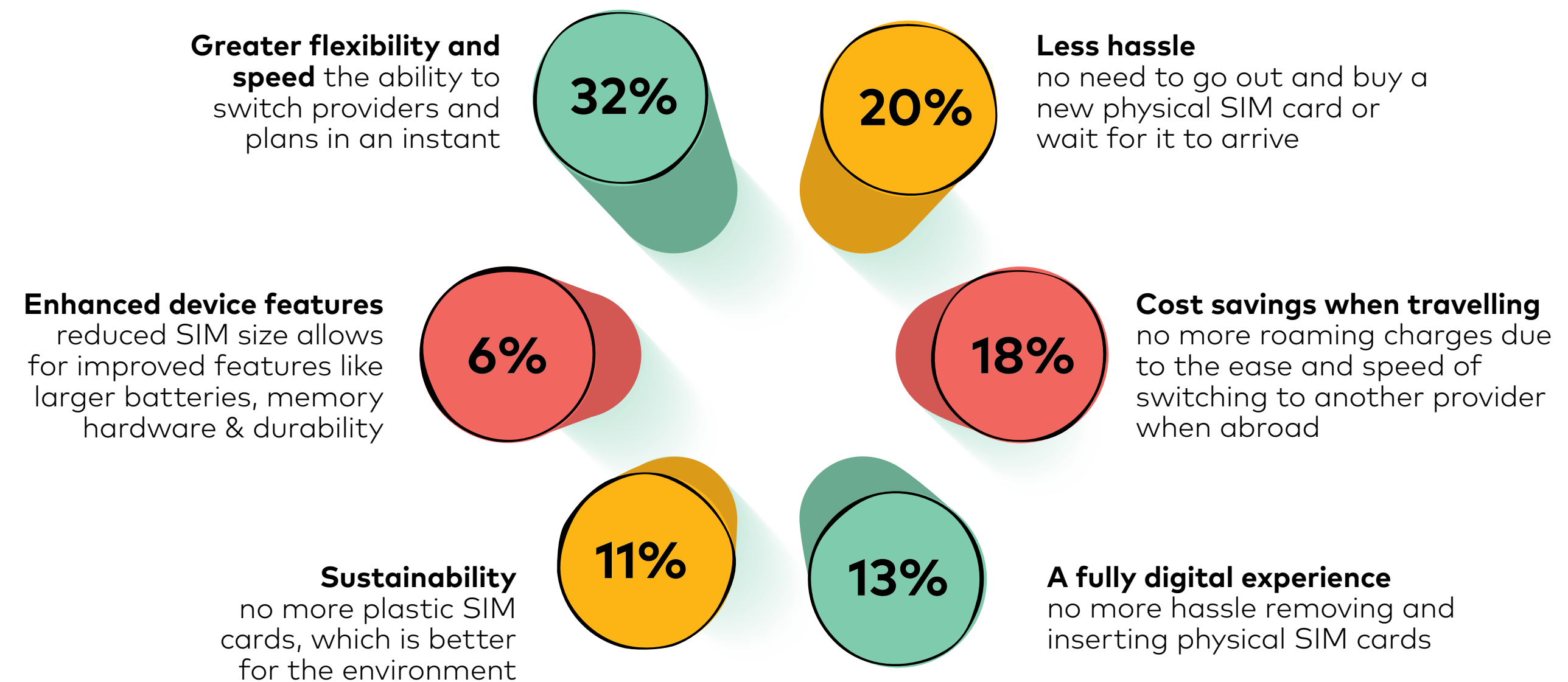
Which of the following do you think is the most important and exciting benefit of using eSIM-enabled devices?

- 01 Consumers have high expectations from eSIM –
- 02 especially when it comes to the flexibility to switch
- 03 vendors and enjoy costs savings.

➤ 04 To discover what consumers thought was the most exciting eSIM benefit, we presented survey respondents with several options and asked them to choose which appealed to them most. The standout response (32%) was the ability to instantly switch providers and plans.

➤ 07

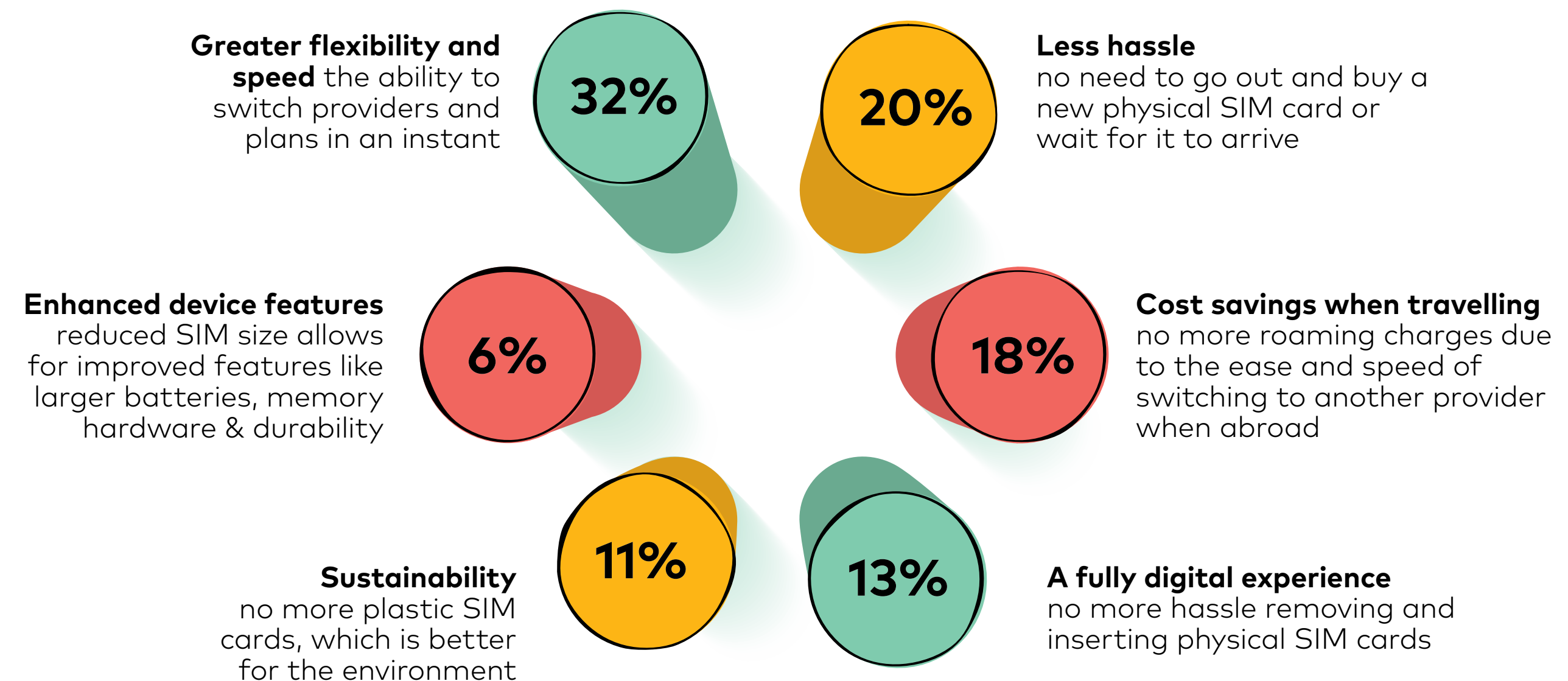
While telcos might see this as a threat, churn works in all directions. At the end of the day, whoever offers the best service wins.



The most exciting thing about eSIM is...

Which of the following do you think is the most important and exciting benefit of using eSIM-enabled devices?

- 01 Here's an interesting fact.
- 02 The #3 most-attractive benefit of eSIM today is roaming.
- 03 Indeed, early eSIM adopters are already enjoying the ability to download local eSIMs and slash their roaming expenses by up to 80%.
- 04 Meanwhile, the ability to "move to a fully digital experience" was cited only by 13% of respondents. We believe that's because they're not yet familiar with the full capabilities of a digital eSIM over and above the traditional plastic SIM.
- 05
- 06
- 07



Telcos need to become familiar with consumer expectations and work with a vendor who has the capabilities to fulfil them – with agility and efficiency.

Do I want my service provider to offer me eSIM?

Now that you understand what eSIM is and the benefits it can bring, would you like your mobile network provider to offer it?

01 Consumers have spoken. They want eSIM, and they want it now.

02 In fact, even those who were unsure what eSIM is or whether their device supports it, are saying loud and clear: "WE WANT ESIM!"

03 So once they become more familiar with the technology, its many benefits – and come to the realization their device already supports it – it's only a matter of time before they start demanding eSIM services from their telco.

04

05 Already, 58% have clear expectations.

06

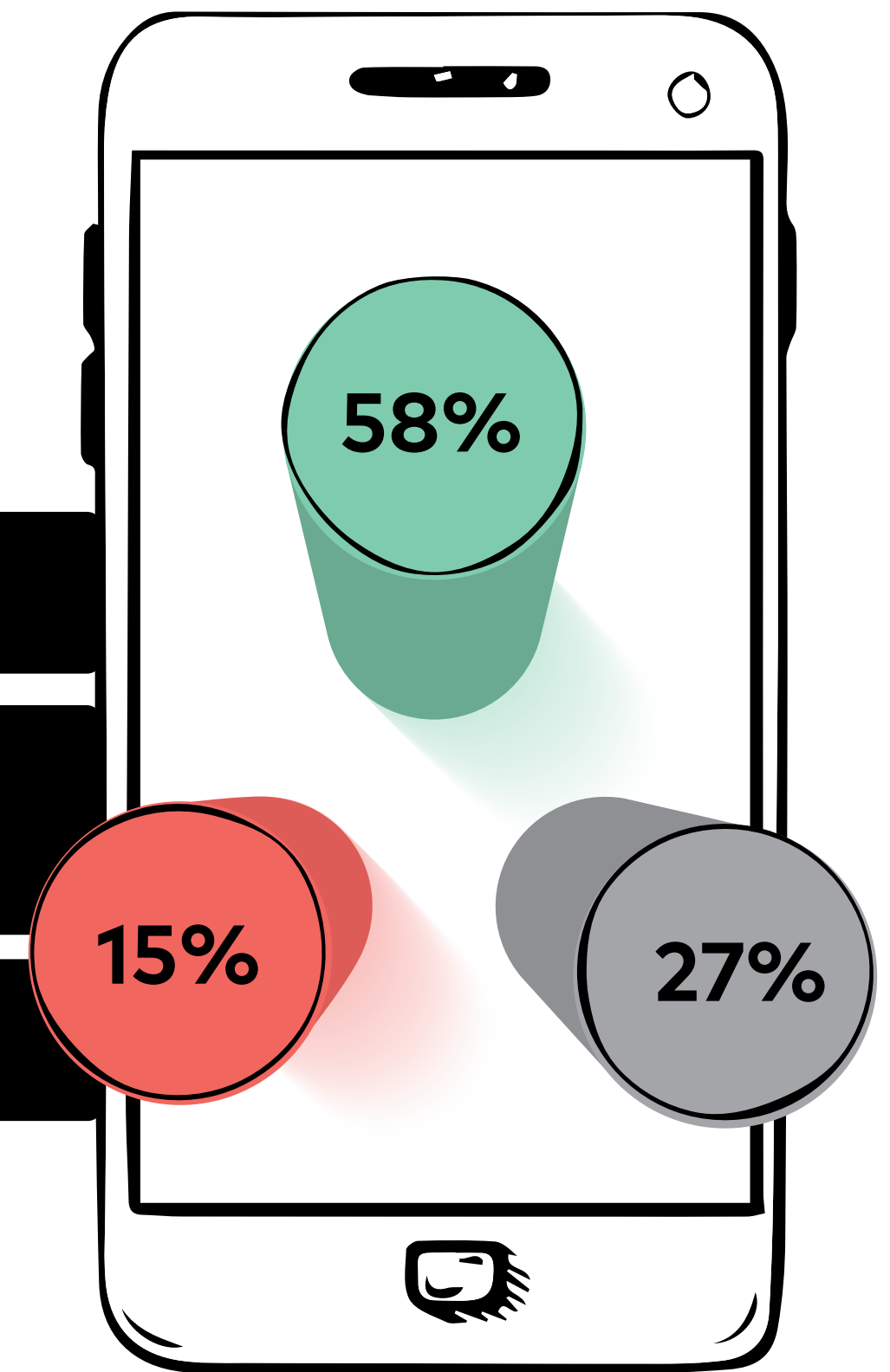
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Because implementing eSIM is a long journey, we advise telcos to start creating a careful, strategic approach now, and then quickly act to implement it as an attractive, holistic offering.

No No, this is not something that I'm interested in

Yes I love the idea of eSIM and will definitely want my service provider to support it soon

I'm Undecided



Telcos are expected to introduce eSIM to the consumer market as soon as possible.



This is what I think about the iPhone 14 launch

Apple is expected to launch the first eSIM-only iPhone soon. How do you perceive this move?

- 01 **Apple will no doubt be thrilled with the survey results, because when it comes to eSIM, most consumers simply love it!**
- 02
- 03 They've always promoted itself as an innovative company with experience-focused services and capabilities...
...and a long-term desire to shape the market.
- 04 They did it with the Mac and again with the first iPhone (who thought touch screens and mobile apps would become so ubiquitous?). Then, they shocked us all by ditching the headphone jack. Now they're going all-out on eSIM with the launch of the iPhone 14. eSIM-only iPhone 14 (all models in the US).
- 05 And although they're not always the first to bring new technology to market, they still have a 'magic' effect on consumers and competitors who rapidly jump on the bandwagon the moment they onboard it onto a device.
- 06
- 07

So with Apple now joined by other OEMs like Samsung in introducing eSIM, now is the opportunity for telcos to 'get it right' by offering an amazing user experience that takes full advantage of the new handsets' capabilities.



So, what did we learn?

While not all consumers are yet fully familiar with eSIM, once they do, they quickly identify its benefits and it excites them.

Most consumers expect telcos to offer eSIM soon and are happy with the latest launch of the first-ever eSIM-only iPhone.

Finally, with one-third of telcos already in the process of introducing eSIM, other providers will need to follow suit if they want to stay relevant to the market.



About Dynata

This research is based on an August 2022 online survey conducted by Dynata, on behalf of Amdocs, of 2,500 consumers aged 18+ across three countries – the US (1,000 respondents), UK (1,000 respondents) and Australia (500 respondents).



About Amdocs

Amdocs helps those who build the future to make it amazing. With our market-leading portfolio of software products and services, we unlock our customers' innovative potential, empowering them to provide next-generation communication and media experiences for both the individual end user and large enterprise customers. Our 31,000 employees around the globe are here to accelerate service providers' migration to the cloud, enable them to differentiate in the 5G era, and digitalize and automate their operations. Listed on the NASDAQ Global Select Market, Amdocs had revenue of \$4.3 billion in fiscal 2021.

For more information, visit Amdocs at www.amdocs.com/esim

