

U.S. Telecom Managed Services Analysis and Forecast

Spotlight on Managed WiFi and Managed Security - December 2023

In an effort to gain insights into the IT and communications preferences and decisions of businesses, Independence Research LLC. conducted a U.S.-based survey targeting business technology decision-makers. The study garnered responses from a sample of 1,052 U.S.-based respondents from all sizes of business. The survey was in the field from October 9th to October 17th, 2023.

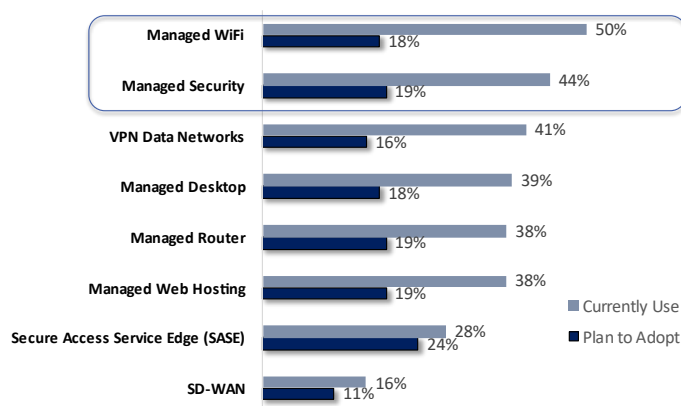
This report focuses on two of the most important telecom delivered IT services in the market today. The data provided outlines the usage of various managed services by U.S. businesses, with a particular focus on Managed WiFi and Managed Security. Furthermore, the report provides a 5-year forecast for adoption of these services across the small, medium, mid-market and enterprise segments of the U.S. marketplace.

The survey results reveal that the most widely used service is Managed WiFi, adopted by 50% of businesses surveyed, indicating a significant reliance on external providers for WiFi network management and support. Managed Security follows closely, utilized by 44% of businesses. This high usage rate reflects the growing concern for cybersecurity and the need for specialized expertise to protect against cyber threats. This report focuses on these top two services. Please see results for current usage and plans to adopt below:

U.S. Business Managed Services Usage



Which of the following managed services does your company currently use? Please check all that apply:



Source: Independence Research 2023

www.independenceresearch.com

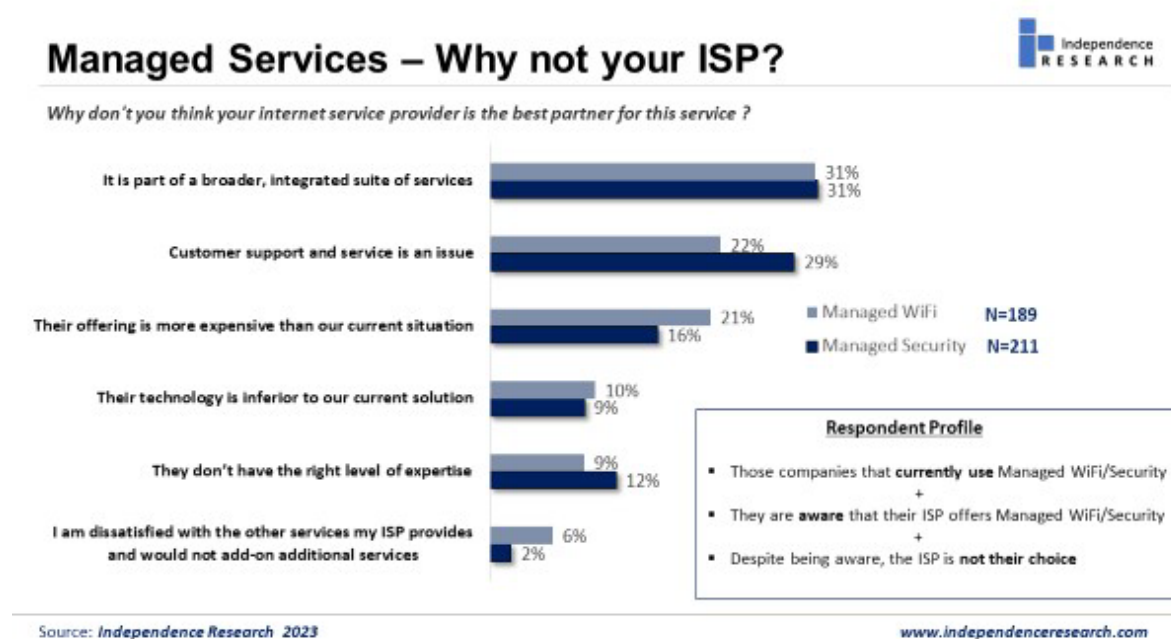
Highlights:

- Managed WiFi and Managed Security are two of the **most highly penetrated** and mature of the IT services available from ISPs, but emerging technologies such as SD-WAN, Secure Access Service Edge (SASE), wireless Internet Back-Up and other telecom and IT offerings are growing quickly and will become a staple in most internet providers product portfolios.

Source: Independence Research, U.S. Business Managed Services Survey 2023

- At 45% Managed WiFi penetration for small businesses is twice that of Managed Security, however, in terms of future adoption, intent to adopt is practically the same with 15% for Managed Security versus 13% for Managed WiFi. This indicates a **Managed Security opportunity** that will likely outpace Managed WiFi and other more established services in this segment.
- ISPs need to prove they can deliver capable **managed services customer support**. Customer support concerns were one of the top two reasons U.S. businesses decided to look elsewhere for managed services - particularly for Managed Security where 29% of respondents indicated unease.

A majority of respondents, (69% for Managed WiFi and 64% for Managed Security), that go with alternative providers vs. their Internet Service Provider (ISP) are aware that their current (ISP) offers these services, but do not consider them to be the best partner. The reasons are outlined in the following chart:



Final Thoughts

Results from this survey reveal a crowded competitive market for Managed Services. Both fixed and mobile internet providers continue to push into areas that at one point were the primary domain of Managed Services Providers, Value-added resellers and technology vendors. Managed WiFi and Managed Security are two of the most highly penetrated and mature of the IT services available from ISPs, but emerging technologies such as SD-WAN, Secure Access Service Edge (SASE), wireless Internet Back-Up and other telecom and IT offerings are growing quickly and will become a staple in most internet providers product portfolios.

Survey results indicate that ISPs are the preferred choice for Managed WiFi and to a lesser extent, Managed Security, but there is still a significant portion of the market that either does not know that

Source: Independence Research, *U.S. Business Managed Services Survey 2023*

these services are available from their ISP or are satisfied with their existing vendor – particularly if these managed services are part of a larger, integrated IT solution.



From a forecast perspective, the outlook for both services is strong. Managed WiFi is projected to have more upside at the enterprise level as businesses that have exited the pandemic look to extend quality connectivity across their workplace, whether permanent or temporary, and extending to anywhere business is being conducted. With its outsourced ease of use and scalability Managed Security simplifies a critical and complex network function and is an excellent fit for Medium and Mid-Market firms. The ability to extend similar security capabilities into the small business segment at a cost SMBs can afford will be a major factor in achieving even greater penetration than this forecast projects.

Full Report Outline

Chart 1: U.S. Business Managed Services Usage (Survey Results)

- 1. Introduction**
- 2. U.S. Business Managed Services Usage (Survey Results)**
- 3. Managed WiFi Penetration Size Segmentation**
 - a. Small (1-19 employees)
 - b. Medium (20 to 99 employees)
 - c. Mid-Market (100 to 499 employees)
 - d. Enterprise (500+ employees)
- 4. Managed Security Penetration Size Segmentation**
 - a. Small (1-19 employees)
 - b. Medium (20 to 99 employees)
 - c. Mid-Market (100 to 499 employees)
 - d. Enterprise (500+ employees)
- 5. Future Adoption Outlook (Survey results)**
- 6. Managed WiFi & Managed Security**
 - a. Small (1-19 employees)
 - b. Medium (20 to 99 employees)
 - c. Mid-Market (100 to 499 employees)
 - d. Enterprise (500+ employees)
- 7. Managed WiFi Market Share (Categories)**
 - a. Internet Service Provider
 - b. Mobile Operator

Source: Independence Research, *U.S. Business Managed Services Survey 2023*

- c. Managed Service Provider
- d. Value-Added Reseller
- e. Software Vendor
- f. Technology Vendor
- g. Systems Integrator

8. Managed Security Market Share (Categories)

- a. Internet Service Provider
- b. Mobile Operator
- c. Managed Service Provider
- d. Value-Added Reseller
- e. Software Vendor
- f. Technology Vendor
- g. Systems Integrator

9. Comparative Analysis

10. Why Not your ISP?

11. Forecast Methodology

12. Managed WiFi Forecast 2023-2028

- a. Small (1-19 employees)
- b. Medium (20 to 99 employees)
- c. Mid-Market (100 to 499 employees)
- d. Enterprise (500+ employees)

13. Managed Security Forecast 2023-2028

- a. Small (1-19 employees)
- b. Medium (20 to 99 employees)
- c. Mid-Market (100 to 499 employees)
- d. Enterprise (500+ employees)

14. Final Thoughts (Conclusion)

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