



Telecoms sector overview

Driving innovation in
Telecommunications



Telecoms: A critical societal role

Telecommunications companies remain a vital part of global infrastructure. During pandemics, conflicts, and environmental crises, they provide the first line of response, enabling people, businesses, and governments to stay connected. Their ongoing investment in networks and services underpins quality of life at home, at work, and across the economy. This sense of purpose is deeply embedded in how telecom providers operate.

Pressures on traditional business models

However, the classic “telco” model faces unprecedented strain. Margins are compressing, competition is intensifying, customer expectations are rising, and capital requirements for new technologies are escalating. Core services such as voice, messaging, and pay-TV are increasingly displaced by over-the-top (OTT) platforms, while simplified tariffs and regulatory changes have lowered barriers to entry for low-cost providers. B2C revenues have stagnated, and offerings risk becoming commoditized.

From Telco to Techco

In response, leading operators are re-positioning themselves as “techcos”, technology-driven enterprises focused on innovation, customer experience, and continuous digital transformation. Massive investment in fiber and 5G rollouts is being matched by efforts to diversify revenues through connected-home services such as security, automation, gaming, and IoT. However, many providers lack the agility and specialist skills to compete head-to-head with niche players, prompting them to act as distributors or integrators of third-party solutions.

Redefining value streams

Transformation is now the top strategic priority. Telecom companies are re-architecting their businesses around key value streams, including:

- Digital-first front ends: omnichannel platforms, intuitive self-service, and real-time support.
- Automated single-stack processes: integrated catalogues, inventories, and billing.
- Customer-centric management: advanced journey analytics, experience metrics, and customer intelligence.
- Ecosystem partnerships: the ability to distribute, integrate, or co-develop external services.
- Data-driven marketing: targeted, efficient engagement to sustain growth.

Balancing today and tomorrow

Telcos are pursuing a twin strategy: optimizing their existing portfolios, expanding bandwidth, connecting wearables, and enhancing every interaction, while simultaneously preparing for new growth in smart homes, automation, and IoT. Success depends on delivering high-quality experience for every new service and investing in a 360-degree customer view from acquisition to service delivery.

Early signs of progress

Upgrades to legacy systems and platforms are beginning to improve customer satisfaction and operational efficiency. Although significant challenges remain, early results demonstrate that a clear focus on customer experience, agile operating models, and ecosystem innovation can put telecoms on the path to sustainable growth.

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Telecom companies are at the heart of global infrastructure, playing a critical societal role. However, the traditional ‘telco’ model is under immense pressure. The path forward lies in transforming ‘telcos’ into ‘techcos’ — technology-driven enterprises focused on innovation, customer experience, and continuous digital transformation. This means redefining value streams, embracing ecosystem partnerships, and leveraging data-driven marketing to sustain growth and deliver a high-quality experiences.”

Anna Scally

Global Head of
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Case study

Swisscom: Engineering simplicity and trust

Swisscom consistently ranks among Switzerland's top performers in customer-experience benchmarks, thanks to a clear focus on reliability, transparency, and effortless service. Operating in one of the world's most competitive telecom markets, the company has built loyalty by translating technical excellence into human-centered value.

A cornerstone of its approach is network leadership. Swisscom invests heavily in 5G, fiber, and IoT infrastructure, giving customers consistently fast, stable connections. But it pairs this with proactive communication: clear service-status dashboards, early warnings of maintenance, and "no-surprise" billing all strengthen customer trust.

Swisscom also places effortless interactions at the heart of its model. Its My Swisscom app lets customers manage accounts, troubleshoot, and book engineer visits in a few taps.

AI-powered chat and voice bots resolve routine queries quickly, while agents focus on complex issues and personalized advice.

Employee experience is treated as a growth lever. Continuous training, flexible working, and an internal "CX academy" help staff understand how their work shapes customer moments. This cultural alignment ensures consistent empathy across channels.

Finally, Swisscom is expanding into digital lifestyle services, smart-home security, cloud storage, entertainment, bundled through a single, transparent ecosystem. By blending strong infrastructure, smart technology, and customer-centric culture, Swisscom turns a technically complex business into a simple, trusted experience.

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Publication name: Telecoms sector overview: Driving innovation in Telecommunications | Publication number: 140331G-G | Publication date: January 2026