

1H22 Market Trend Report



Overview

In the first half of 2022, Tangoe Advisory Services has worked with hundreds of companies across all industries and sizes to help them source new vendor agreements, audit current inventory and expenses and consult on digital transformation initiatives.



The key drivers of the above are:

- The **Great Resignation** is real – staff augmentation is essential to keep the lights on.
- **Digital Transformations** require an accurate inventory to begin with.
- **Mergers, Acquisitions and Divestitures** have expanded the need for contract and inventory rationalization.
- **Multi-carrier, multi-vendor RFPs** are on the rise to support transformation initiatives to achieve better economic outcomes.

The Tangoe Advisory Services team expects the market to continue to be volatile. Inflation will take a greater hold and the enterprise IT buying will shift from premise-based solutions to hybrid cloud, and from legacy services to newer technologies and unified communications supported by ethernet, broadband and 5G fixed wireless.

Pricing Trends

Service	Pricing Trend versus 2021
MPLS	↓
POTs, PRIs	↑
SIP, UCaaS	↓
Mobile	↗
Fees and Charges	↑
Cloud	↗



Telecom:

MPLS pricing trends downward, primarily driven by renewals coming in at current market rates and the pressure of SD-WAN migrations. T-Mobile's planned exit from the fixed line market will impact customers that still retain these legacy Sprint services.

Overall voice rates are trending up as legacy services (POTs and PRIs) are being decommissioned.

As SIP and UCaaS continues to proliferate, pricing is coming down and getting more competitive.

That said, the fixed market reductions do not have as steep of a decline as has been the case in the past few years.

Mobile:

Carriers are promoting unlimited offerings (which are becoming more competitive) to make it simpler, but this can come at a higher cost. It's critical to understand usage and potential separate equipment charges before jumping in.

In June, Verizon instituted an Economic Adjustment Charge, adding a \$2.20 surcharge per month for many Smartphones and \$0.98 a month increase for basic service. This is the latest in a series of surcharges that the carriers are passing on to their customers. Earlier this year, AT&T increased their consumer rate plans by \$6.00 on single lines and \$12.00 for families. These fees are not tax increases, rather discretionary charges that the carriers can implement and change at any time.

Tangoe advises clients to add language to their contracts that protect them from future rate adjustments that could be attributed to inflation.



Cloud:

Even as elements of cloud costs continue to decline, overall cloud costs rise as more services are added along with increasing complexity. Issues with keeping cloud costs under control include:

- Confusing, highly detailed billing;
- Complicated pricing structures;
- Easy service provisioning (leading to over-provisioning);
- Evolving cloud offerings;
- Numerous architecture alternatives; and
- Lack of standardization between cloud platforms.

Tangoe manages the largest and most diverse data set for invoices across carriers and geographies. Our team of advisors works individually with businesses looking to source new contracts or rates, audit inventory to maximize efficiencies, and consult on new technologies to improve their business outcomes.

Email us today at sales@tangoe.com for your free consultation.