

Southern Europe's Mobile Billing Market

A Brief Analysis by Telecoming

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Starting Point

In the coming years, the European mobile content market value is forecasted to keep growing, in spite of the slowdown in the growth rate.

In this sense, Statista has forecasted that in 2017, the European market will reach \$5.2 Billion and \$5.3 Billion in 2018. In 2015, the market value was considerably lower, standing at \$4.4 Billion and it reached \$4.9 Billion in 2016.

The market value increase is partially boosted by online content consumption. More precisely, the **European Commission**¹ highlights that 38% of individuals, within the European Union, either played or downloaded games, images, films or music, often for free. Whereas, 16% of them actually bought online content.



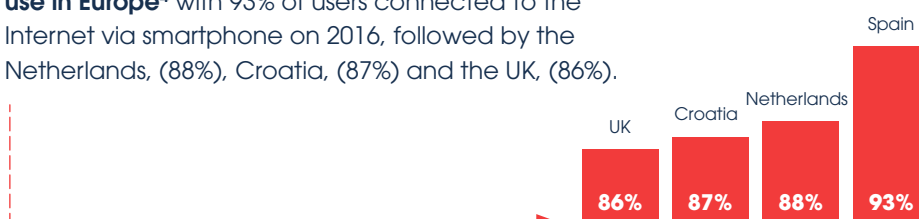
The Rise of the Digital Content Sector in Spain

Regarding Spain, it's worth highlighting that **The Spanish Annual Digital Content Sector Report**² emphasizes that the market experienced a 16.9% increase in its turnover, reaching 8.940M€ in 2015. Concerning 2016, the market consensus is that the overall e-commerce market in Spain keeps growing. The digital content sector is also expected to keep up and follow the overall growth trend.

Mobile Use

Mobile use experienced a peak in 2016. In Europe, 8 out of 10 Internet users surfed using their smartphone, according to Eurostat's December data concerning **Internet Use by Individuals**³.

More precisely, **Spain leads the Smartphone internet use in Europe**⁴ with 93% of users connected to the Internet via smartphone on 2016, followed by the Netherlands, (88%), Croatia, (87%) and the UK, (86%).



¹ European Commission- Eurostat, 2016-2021: [Monitoring the Digital Economy & Society](#).

² Spanish National Telecom and Information Society Observatory (ONTSI), 2016: [Informe anual del sector de los Contenidos Digitales en España](#)

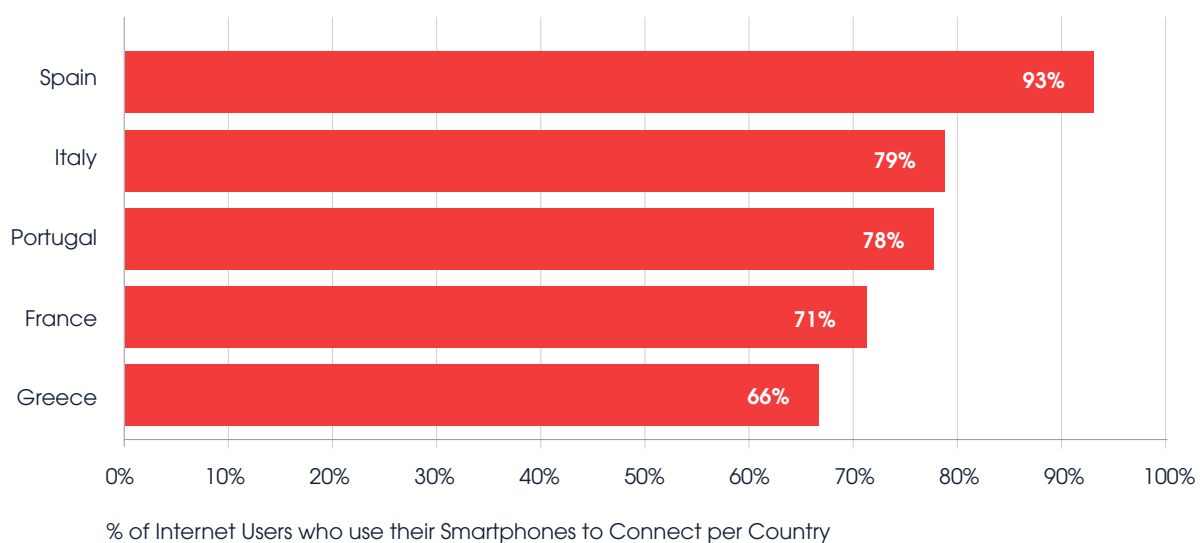
³ European Commission- Eurostat, Press Release, December, 2016: [Almost 8 out of 10 internet users in the EU surfed via a mobile or smart phone in 2016...](#)

⁴ Statista: Spanish Citizens Surfing the Internet Infography: [Spain leads the Smartphone internet use in Europe](#)

Smartphone Internet surfing data amongst the Southern European countries (Italy, Portugal, France, Greece and Spain) is quite **heterogeneous**. In this sense, Italy is ranked in a second position, right after Spain. 79% of Italian internet users connect through their smartphones. Italy is closely followed by Portugal, (78%), France, (71%) and at a bigger distance, by Greece (66%).

Spain is without doubt at the head of Europe in Smartphone Internet Use, keeping a remarkable distance from the rest of the Southern European countries.

Smartphone Internet
Use in Southern Europe



Mobile Billing

Mobile payments are becoming a **key instrument** for **PSPs** and other market participants, in order to achieve new growth opportunities. In this sense the *European Payments Council (EPC)*⁵ points out that “new technology solutions provide a direct improvement to the operations efficiency, ultimately resulting in cost savings and in an increase in business volume”.

The latest research highlights that the number of Europeans who use their mobile devices for payments has experienced a significant increase. More precisely, **Visa’s 2016 Digital Payments Study**⁶ states **54% of the European consumers surveyed regularly**

use a mobile device to pay. In 2015, this figure was below 20% (18%). This ultimately means that the **number of Europeans who regularly use their mobile devices** to carry out payments **has tripled** between 2015 and 2016.



⁵ European Payments Council, May, 2016: [White Paper Mobile Payments](#)

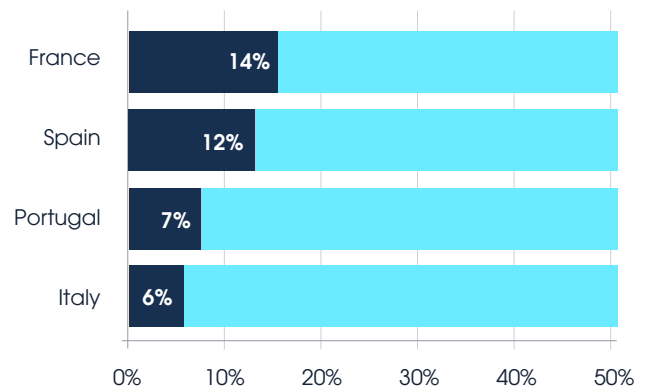
⁶ Visa Press Release, October, 2016: [Mobile Payments soar as Europe embraces new ways to pay](#)

As mobile payments in Europe increase, so do the billing figures. **The global carrier billing market⁵** reached \$16.600M in 2015 and it's estimated to reach \$25.300M in 2020, according to Ovum.

Mobile content consumption has experienced a significant **growth in Southern European countries**, over the past years. Mobile contents are reaching an increasing share of the mobile bill.

France is at the **forefront** of this trend: **14%** of the average French mobile user's bill consists on **digital content**. It's closely followed by Spain, **(12%)**, at a slightly larger distance by **Portugal**, (7%) and finally, in Italy this percentage drops to 6%.

Mobile Content Weight / Average Southern European Mobile User's Bill



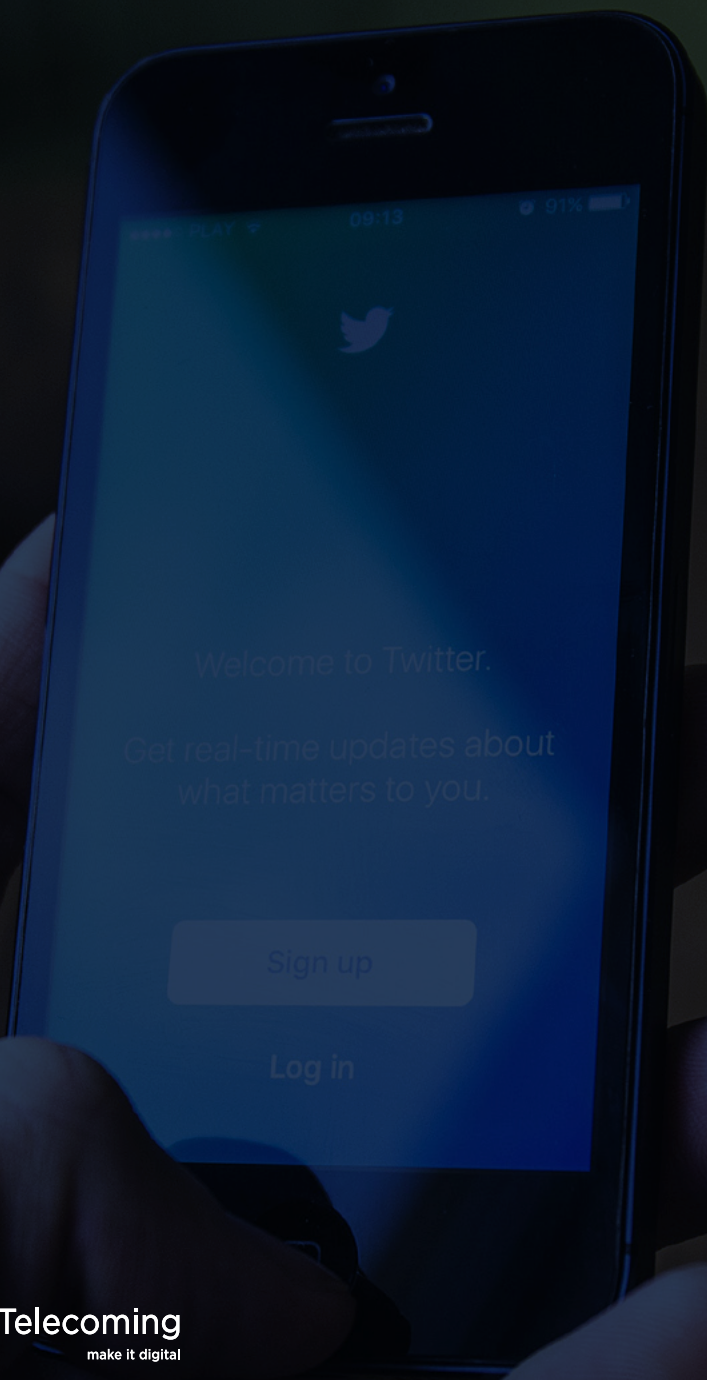
% of the Average User's Mobile Bill Breakdown assigned to Mobile Content



Telecoming's Chief Operations Officer, Roberto Monge, explains that "the mobile content's weight within the user's overall mobile bill, in Southern Europe, has increased over the past years. On the one hand, this portrays that users are more willing to pay for mobile content than before. On the other hand, it emphasizes that Southern European countries are pursuing the mobile market paths undertaken by more consolidated markets, such as the UK".



⁷ Ovum Report, 2016: [Carriers could capture \\$142bn in m-commerce revenue by 2020 if they push aside barriers](#)



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