

European telecoms 2026: in need of a health boost

A comprehensive study
of the state of Europe's
telecommunications sector

Photo by Kearney alum

KEARNEY

Europe can no longer claim to be a leader in telecommunications. In fact, the sector’s health has been waning for almost a decade. Despite providing essential services for the continent, telecom operators are suffering from a plethora of challenges: slow rollout of the fastest broadband services combined with poor uptake rates, stagnant core revenues, weak and falling returns, an investment funding gap, and an inability to capture new revenue streams while developing innovative business models. This report, which includes Kearney’s inaugural European Telecom Health Index, assesses and quantifies the issues and outlines a path to value. The challenge goes beyond operators’ bottom lines. It jeopardizes consumer access to digital services and Europe’s economic competitiveness. Without robust and advanced network infrastructure, European businesses cannot effectively master artificial intelligence (AI) and other emerging technologies. This diagnosis of the European telecom sector’s ailments prescribes seven action paths the region’s operators should prioritize in 2026 to restore overall health.

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Introduction

In the 1980s, Europe's operators played a major role in developing the Global System for Mobile Communications (GSM) standard. Later, the region led in mobile roaming and cross-border interoperability, from its early GSM-based roaming agreements to implementing "roam like home" policy, setting a global standard for seamless international mobile connectivity. Innovation has continued to a degree as major European operators pursue network application programming interfaces (APIs) through the CAMARA Project. In-country advances continue as well, such as France becoming the first country to launch a national know-your-customer API across all operators, and the world's first video call over satellite taking place in rural Wales in early 2025.

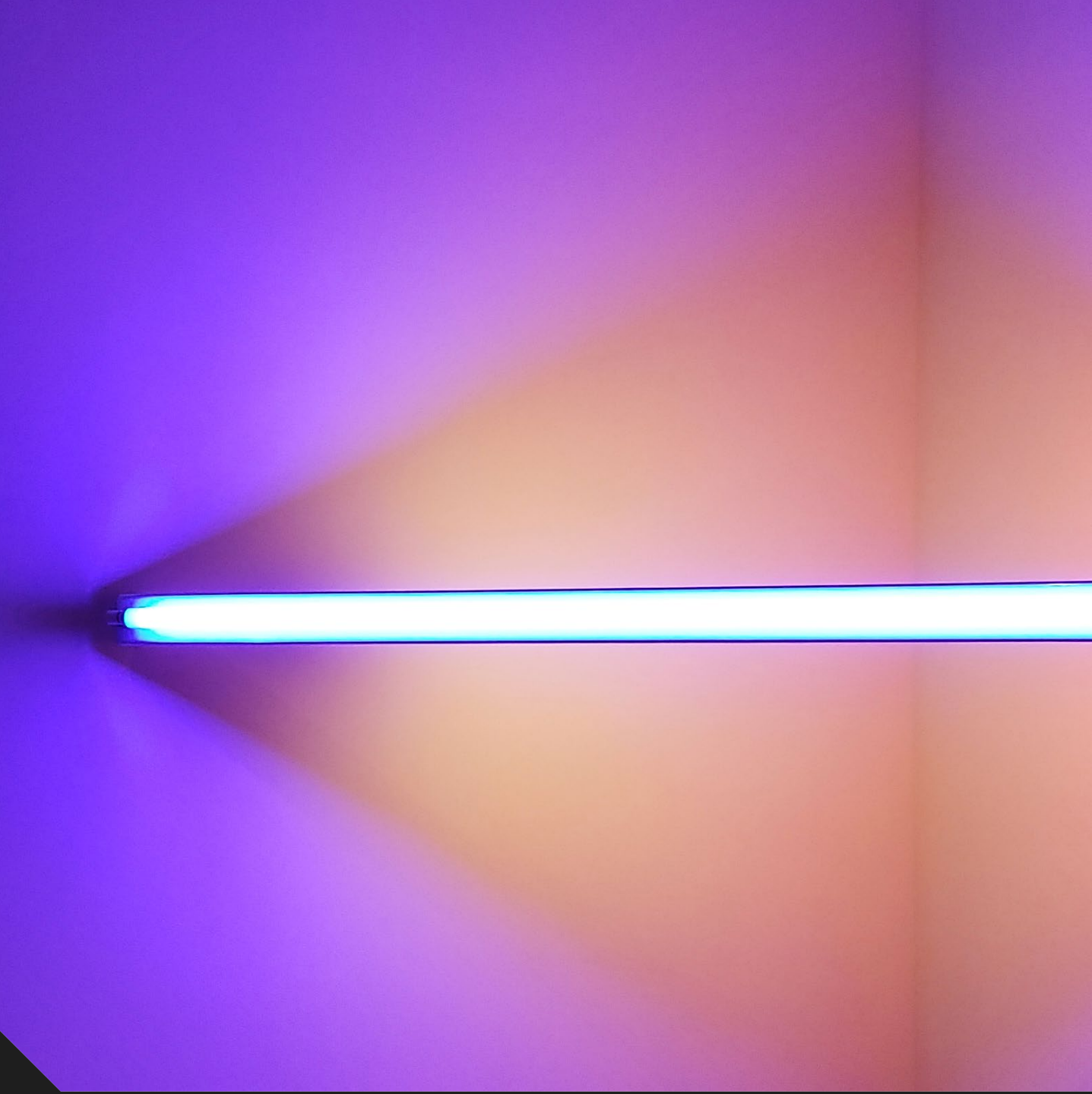
None of this would be possible without fixed and mobile network operators, which have been the primary investors in and operators of this critical infrastructure. For example, the [GSMA Mobile Infrastructure Investment Landscape report](#), co-authored by Kearney and published for the Mobile World Congress 2025, put annual investment in European mobile connectivity infrastructure at \$22 billion, with telecom operators responsible for the vast majority of this funding.¹

This infrastructure clearly plays an invaluable role in the everyday life of European consumers, businesses, and governments as it supports payments, transportation infrastructure, company IT operations, social media, and access to most government services, to name just a few crucial areas. Further development and adoption of digital technologies and AI also completely depend on telecom networks to connect users with the data centers that deliver related services in real time.

And yet, the sector's long-term health, which depends on its continued investment and innovation, cannot be taken for granted. The GSMA report [The Internet Value Chain 2022](#) highlighted the disparity between the fragmented and regulated connectivity providers and the largest companies delivering search, social media, streaming, and many other services over that infrastructure.² Despite how increasingly essential Internet-based services are, the return on capital employed (ROCE) for European operators has actually fallen over the past 10 years by almost 2 percentage points—from an already low 6.7 percent in 2014 to 5.9 percent in 2023, according to the Telecom Health Index.³ At the same time, geopolitical developments and rapid technological advancements, such as AI, have pressured the sector to prepare for greater resilience and readiness over the next decade.

It is of utmost importance, then, that consumers, businesses, governments, regulators, and operators have an accurate picture of the European telecom sector's health and its ability to continue investing in the infrastructure that is so vital to the continent's economy and society.

This report presents our analysis of that health and the factors with the greatest potential to improve it. We will provide recommendations—paths to action in seven areas—for operators to take, with support from regulators and policymakers, to restore the health of the sector, with the ultimate goal of helping Europe regain its telecom leadership in the world.

A glowing blue horizontal line, resembling a light tube or a stylized 'E', stretches across the middle of the page. The background is a gradient of purple and orange, with a dark purple shape in the bottom left corner.

The Kearney European Telecom Health Index: what defines telecom health and how to measure it

Determining Europe’s telecom health involves analyzing a complex mix of factors, trends, and sector-specific metrics. We tackled this challenge in several ways, primarily with the development and execution of two components: the Kearney European Telecom Health Index—the first such index for Europe’s telecom sector—and a complementary survey of telecom customers across Europe. Both components, along with drawing from our extensive work with investors and operators across the region and interviews with leading executives, were essential to complete a timely and unprecedentedly comprehensive picture of the sector. This report is both broad and detailed enough to illustrate the sector’s actual condition, shed light on what threatens its health, and identify the priorities for action.

Let’s start with the Index. We focused on 20 key European countries, and to compare them in an objective and standardized way, we used 21 metrics to quantify the health of the sector along five dimensions, combining proprietary Kearney data, primary customer research, and trusted third-party sources. (For details on the metrics and the algorithm we used, see Appendix 1: Note on the European Telecom Health Index methodology on page 57.)

The Index focuses on 20 European countries, using 21 metrics to quantify the health of the sector along five dimensions.

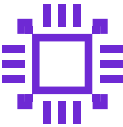
The five dimensions are:



Financial performance. Ability of telecom operators to generate adequate ROCE and earnings before interest, taxes, depreciation, and amortization (EBITDA)



Commercial ability. How well operators maintain pricing relative to inflation, grow average revenue per user (ARPU), cross-sell fixed and mobile, and drive high penetration of fiber and 5G



Technology deployment. Ability to deploy high-speed digital infrastructure to cover the population through fiber and 5G



Business environment. Country-level factors providing a strong foundation for businesses and telecom operators to succeed, including economic risk, regulatory quality, talent, and degree of digitalization



Customer sentiment. How customers view the mobile and fixed services in their country (based on a Kearney primary consumer survey)

This combination of research and resources produces a profound diagnosis that will help European countries and operators better understand and define what makes for a healthy, sustainable telecom sector that supports the European community and economy going forward.



How the countries stack up—and where the hazards lie

We calculated overall Index results by weighting countries' scores for each of the five dimensions. Figure 1 on page 6 shows the 20 European countries ranked by health, along with their scores in the five individual areas.

What jumps out is that size alone—whether it's a country's market scale or economic output—does not guarantee telecom health. Some of the largest countries in the Index rank toward the bottom, which is a major concern.

Conversely, smaller markets can achieve high telecom-sector health, even if scale is limited. Five of the six healthiest countries in our Index have a population of fewer than 12 million. It could be argued their smaller scale brings benefits, but to complicate things, many of the healthiest countries are geographically large, which comes with its own challenges in terms of the engineering and cost required to provide universal coverage.

Looked at more closely, countries positioned in the bottom half of our Index with lower telecom health are home to 70 percent of Europe's population, which is a major concern for economic and social progress. These bottom 10 countries account for nearly two-thirds of the GDP of all countries in the Index.

Comparing the bottom 10 countries (with a combined population of 354 million people and GDP of \$15.5 trillion) to the United States (with 340 million people and a nearly \$29 trillion GDP) clarifies this point. They are similar in population size, and both have economically developed markets, but the bottom 10 European countries underperform the United States in telecom health with scores of 63 (averaged across the 10 countries) and 73, respectively.⁴

These conditions pose a real risk to Europe's economic competitiveness by inhibiting innovation, jeopardizing digital welfare, and expanding the digital divide within society.

The bottom 10 countries are home to **70 percent** of Europe's population—a major concern for economic and social progress.

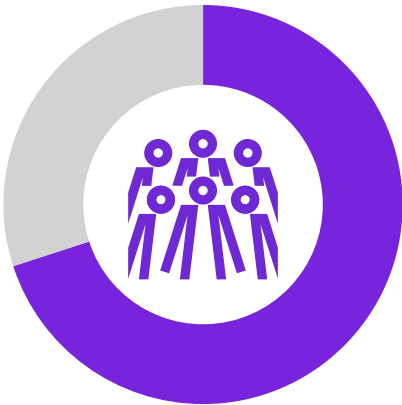


Figure 1
Kearney European Telecom Health Index country rankings 2025



Source: Kearney analysis

Three key factors impacting the sector's health

Index results and further Kearney research point to more factors significantly influencing the health of Europe's telecom sector today:

Market concentration

First, there's the level of sector concentration, with consolidated markets tending to produce higher EBITDA margins and ROCE along with greater customer satisfaction. This is clear when we look at countries with three mobile network operators (MNOs) versus those with four. (For a compelling look at this premise, including Index results showing higher scores for countries with three dominant providers, see the sidebar: The effect of market concentration on telecom sector health on page 8.)

Customer satisfaction and sentiment

Complementing our Index is a Kearney consumer survey of 20,000 telecom customers from 24 countries (21 European countries and three international ones). In seeking a consumer-level perspective across European telecom markets, we found numerous correlations between telecom health and customer satisfaction (see sidebar: The voice of the European customer on pages 18-19). The top five countries in the Index, for example, had customers who were much happier with their mobile and broadband providers and more likely to buy multiple subscriptions, while those in the bottom five countries were more likely to churn mobile providers and crave faster speeds, more reliability, and better customer service. Low prices are great, consumers told us, but network quality influences their value perception and satisfaction just as much.

Artificial intelligence

AI at scale could be a boon to Europe's telecom sector, but as things now stand, it jeopardizes the sector's health. If operators don't learn to apply it to internal efficiency and speed of execution, they will fall farther behind hyperscalers and be increasingly seen simply as "utility providers" while digital natives and hyperscalers will enjoy added value generation and capture. Thus, it's time for telecom operators to reimagine themselves as AI-first organizations to catalyze broader business change and improve their markets and ultimately the telecom sector's health. (For more on how to do this, see the sidebar: Make AI a business-led health enabler on page 24.)

To treat what plagues the sector and to take advantage of opportunities for even greater telecom health, we have structured our recommendations as paths to action.

The effect of market concentration on telecom sector health

The level of concentration influences the telecom sector’s health, with consolidated markets tending to produce higher EBITDA margins, ROCE, and customer satisfaction.

In mobile, this is evident in countries with three mobile network operators (MNOs) versus those with four (see figure). Twelve of the 20 European countries in the Index have a three-player market structure, indicating that most have moved toward a consolidated market, while others are in transition, including the UK. Three-player markets have a higher average overall Index score (70) compared with four-player markets (67). A score of 70 placed a country in the third quartile (Q3 is 69), and a score of 67 placed it in the fourth quartile (Q4 is 63). The difference is particularly pronounced when looking at financial performance, where three-player markets score 10 points higher than four-player markets, with an EBITDA margin of 35 percent for the former and 31 percent for the latter. In comparison, customer sentiment is broadly consistent across these markets (78 versus 80, respectively) and so is technology deployment (68 versus 70). This indicates that in exchange for minimal differences in customer service (factors that do not compromise its quality) or in the country’s infrastructure, a market can be more financially healthy with fewer operators if all variables are balanced.

Looking beyond Europe, we applied our Telecom Health Index methodology to other countries for comparison. Many have consolidated to three-player MNO models. The United States has an overall health score of 73, which is notably higher than the European average, driven by a strong financial performance score of 66 and well-developed infrastructure, as reflected in the country’s technology deployment score of 83.

European operator consolidation has been gradual at best, often hampered by governments, regulators, and typically lengthy deal processes. For instance, in the UK, the merger between Vodafone and Three was announced in the summer of 2023 and only finalized on May 31, 2025.⁵ In Spain, MásMóvil and Orange began their merger in July 2022 and completed it two years later in March 2024.⁵

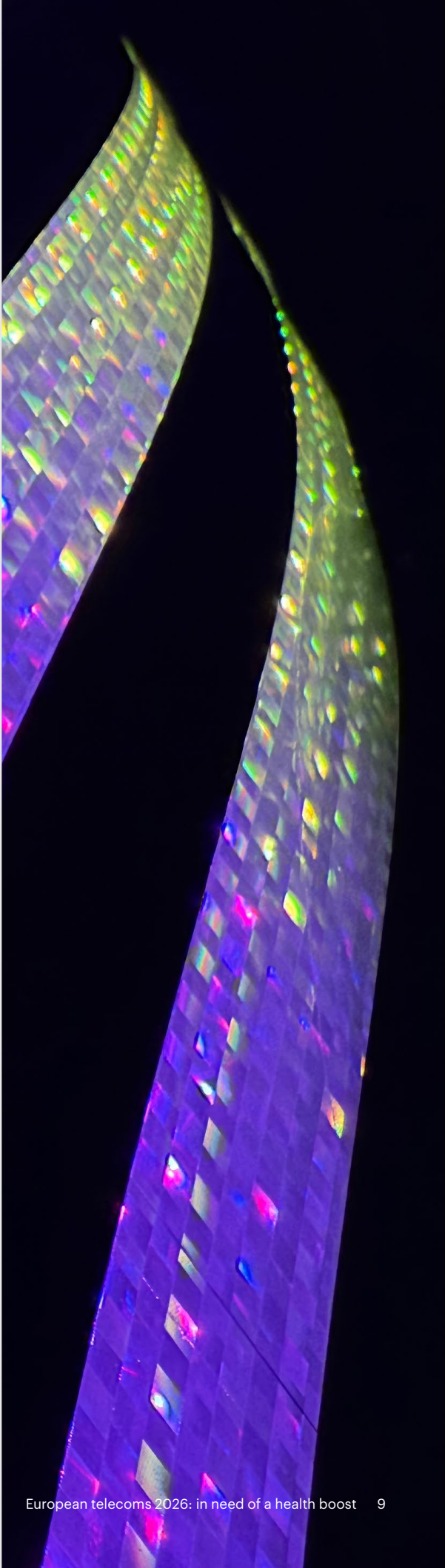
Market concentration versus telecom health score

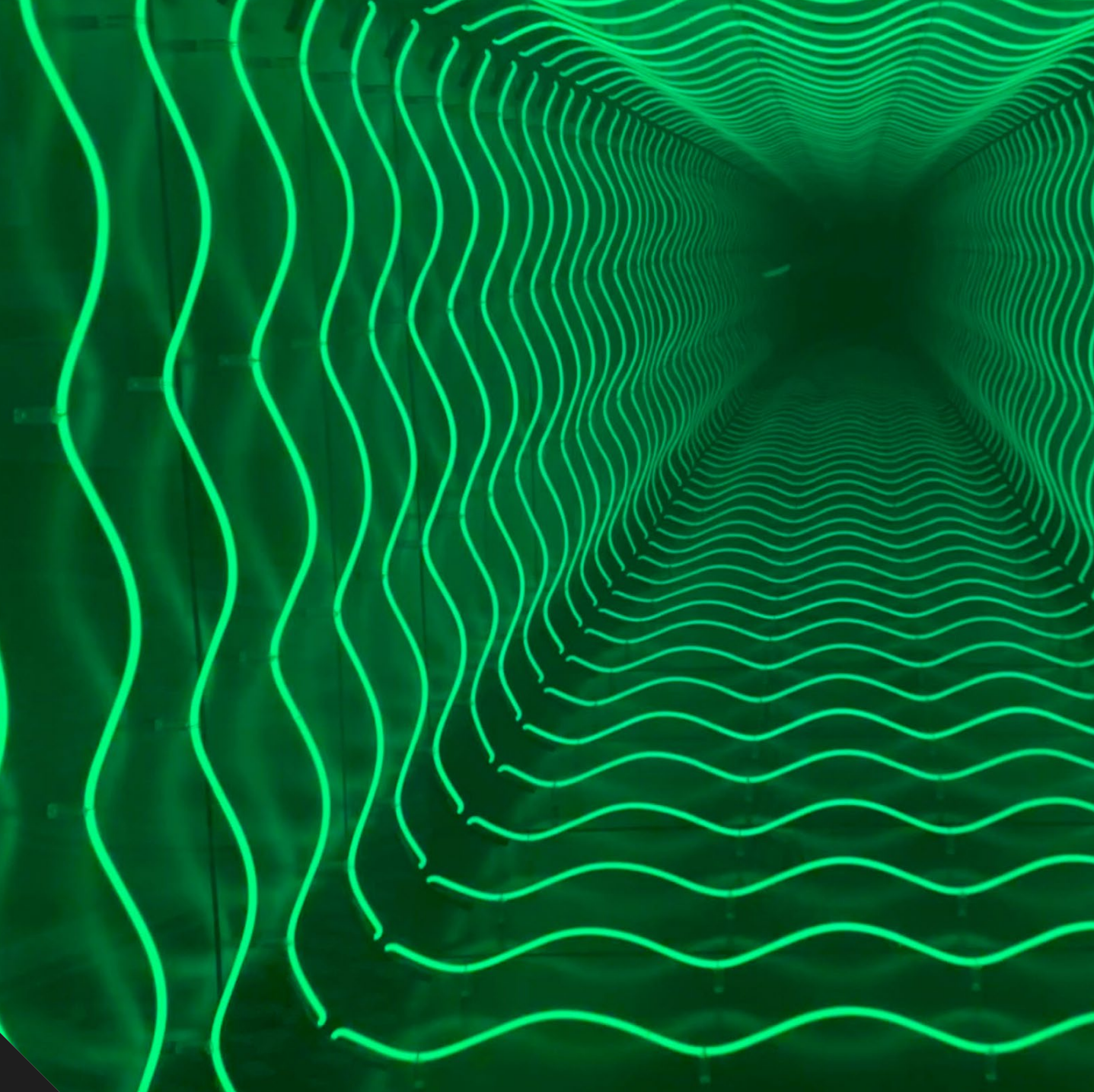
Market concentration and overall telecom health score



Source: Kearney European Telecom Health Index

There is room for further consolidation. Western Europe is as fragmented as it was 15 years ago, with 90 MNOs in 2025 compared with 92 in 2010, while the number of mobile virtual network operators has proliferated. The same applies to fixed line, where there is a thriving wholesale market for independent operators alongside numerous independent fiber companies. There is also the question of cross-border consolidation to build players with the scale of companies such as the US mobile operators. Although Europe has group operators with networks in multiple countries, for various reasons, these are run as country operations and have delivered little in terms of group synergies or value. A major reason for this is that Europe's regulatory regime is fragmented, with country regulators taking different approaches to market structures, competition policy, spectrum licensing, service quality, and coverage requirements. To gain public and regulatory support for consolidation, the major operators will need to demonstrate their commitment to network deployment and providing customer value, while regulators and policymakers also need to play their role.

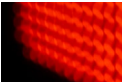




Seven action paths to improve the health of operators and the telecom sector

The deterioration of the European telecom sector’s strength and vitality is continent-wide. Operators’ strategies and business models are still holding onto outdated ways of thinking, while the digital world around them—including competitors in other sectors and on other continents—has surged ahead with an aggressive approach to gaining market share.

So, how can Europe’s telecom operators take charge of their own destiny and help the sector and European society in the process? Based on our Index results and our extensive work with operators throughout across the region, we see seven crucial areas for operators to address now:



Fiber commercialization



B2B information and communications technology (ICT) services



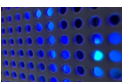
Customer value management and the telecom topline



Advanced cost reduction



Network resilience



Satellite connectivity



Private equity investments for infrastructure

Taken individually, these have been ongoing challenges, but determining how to address them under current circumstances—and defining the business models it will take to succeed with each—will be the crucial measures for renewed and greater health. Operators across Europe are diverse, so these areas and the corresponding actions recommended in this report will vary in their relevance and impact for each company and market. Taken as a whole, however, they are universally applicable. If you’re an operator, you will decide to what extent your business has already addressed these challenges and what work remains for you to do. Keep in mind that each area addresses at least one of the five dimensions integral to the telecom sector’s overall health in Europe.

The first three—fiber commercialization, B2B ICT, and customer value management—improve operators’ revenue and returns from investment in the sector. The focus on fiber-to-the-home (FTTH) rollout, for instance, has led to underperformance of commercialization and squandered the benefits of faster-connected economies. With ICT services, operators essentially become resellers to expand their portfolios, but because they lack the actual competencies and don’t have the scale to compete with hyperscalers and system integrators, they end up giving external suppliers much of the margin. Then there’s customer value management, a commonly understood concept that’s too often poorly deployed. Rather than operators relying on customers to come to them and accepting that a certain number will leave, tailored offers could meet real needs and retain customers in the process.

Advanced cost reduction (the fourth area) considers operator efficiency and cost base. Beyond telecom, other sectors have invested in digital operating models with automation, platforms, and AI that present new ways to deliver services that were previously labor-intensive. In the telecom sector, new fiber-based networks along with 4G and 5G mobile networks with virtualized functions can enable greater remote configuration and self-service options, but operators have only just begun to embrace these possibilities.

Network resilience and satellite connectivity can improve network infrastructure and quality. Many telecom operator boards, as well as regulators and governments, have declared resilience a strategic priority, yet achieving it depends on a proactive approach many have delayed adopting. This has resulted in numerous outages with significant economic consequences and a high degree of user frustration and lost business. Some solutions lie in new technologies, such as low Earth orbit (LEO) satellite services, which can help operators augment the quality of end-user service through greater availability, coverage, and uptime.

The seventh action area—enlisting private equity—addresses the need for at least €174 billion in additional investment to achieve Europe’s Digital Decade policy targets by 2030. Operators cannot cover this by themselves, so it’s essential to create the right market and investment conditions to attract co-investors, particularly from private equity infrastructure funds.

Let’s take a closer look at each action path.

Action path #1

Jump-start fiber commercialization

For years, Europe's telecom operators have poured billions into fiber rollout, passing tens of millions of homes with next-generation networks. Yet in many markets, customers are not connecting at expected levels. This commercialization gap is now the single biggest threat to Europe's fiber future.

Kearney's Telecom Health Index indicates the healthiest markets combine extensive fiber rollout with strong take-up. Only when homes-passed are converted into homes-connected do operators achieve strong financial returns and high customer satisfaction—and the wider economic benefits of a better-connected society are then realized. Fiber commercialization is therefore not just an operational issue. It's a cornerstone of sector health.

Three groups, three very different outcomes

When we look across the continent, we see three distinct groups of countries:



Leaders: high deployment, high take-up. These are the healthiest markets, where fiber has become the standard. Customers are migrating en masse, operators are delivering a strong ROCE, and satisfaction is high. Countries in this group include Sweden, Norway, Portugal, France, Romania, and Spain.



Slow Takers: high deployment, low take-up. Here, operators have built the networks but struggle to commercialize them. Homes are passed but not connected; financial performance suffers. This group includes Finland, the Netherlands, Poland, Ireland, Hungary, Denmark, the UK, and Italy.



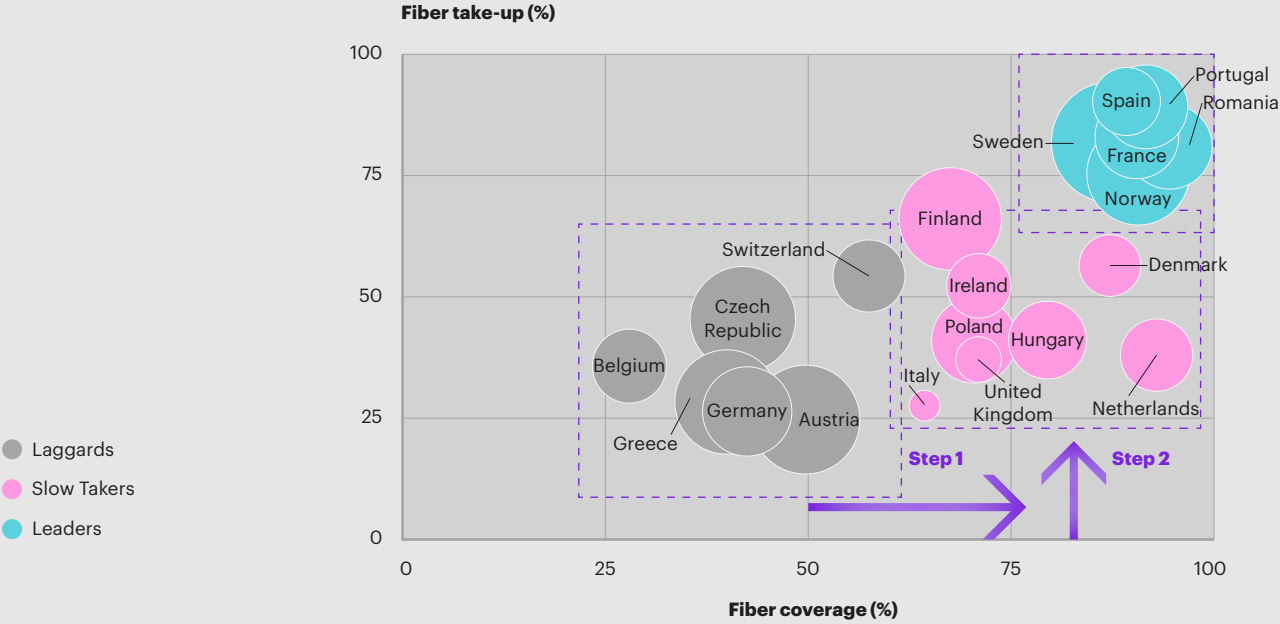
Laggards: low deployment, low take-up. These markets appear strong on EBITDA and ROCE today, but much of that strength rests on the fact that operators are sweating legacy copper or coaxial infrastructure and putting off major upgrade investments, leaving long-term competitiveness at risk. Germany, Switzerland, Belgium, Austria, Greece, and Czechia are all exposed.

The contrast is sharp (see figure 2). Among Leaders, fiber take-up reaches 84 percent, and operators achieve ROCE of 11 percent. Slow Takers show similar coverage at about 75 percent but only 45 percent take-up, dragging ROCE down to 6 percent. Laggard countries, meanwhile, enjoy a ROCE of 11 percent, on par with Leaders, by maximizing returns on legacy networks and putting off investments in fiber connectivity. However, their infrastructure is falling behind, and they risk being exposed as digital demand accelerates.

This dynamic has created what we call the “slow take-up trap.” Far from being a marginal issue, it represents the bulk of Europe’s fiber investment. More than 70 percent of homes passed with fiber across Europe are in this position, yet less than half of those homes are connected. These markets, including the UK, Italy, the Netherlands, and Poland, are too advanced to rely on legacy infrastructure, yet not commercially successful enough to justify the next wave of investment. Unless operators and policymakers act decisively, the trap will slow Europe’s fiber momentum and weaken the sector’s long-term health. For example, UK lenders that helped fund the rollout are now making provisions for potential losses, [with the Financial Times reporting](#) “NatWest and Lloyds are among the big banks braced for losses on billions of pounds in loans to troubled UK broadband providers.”

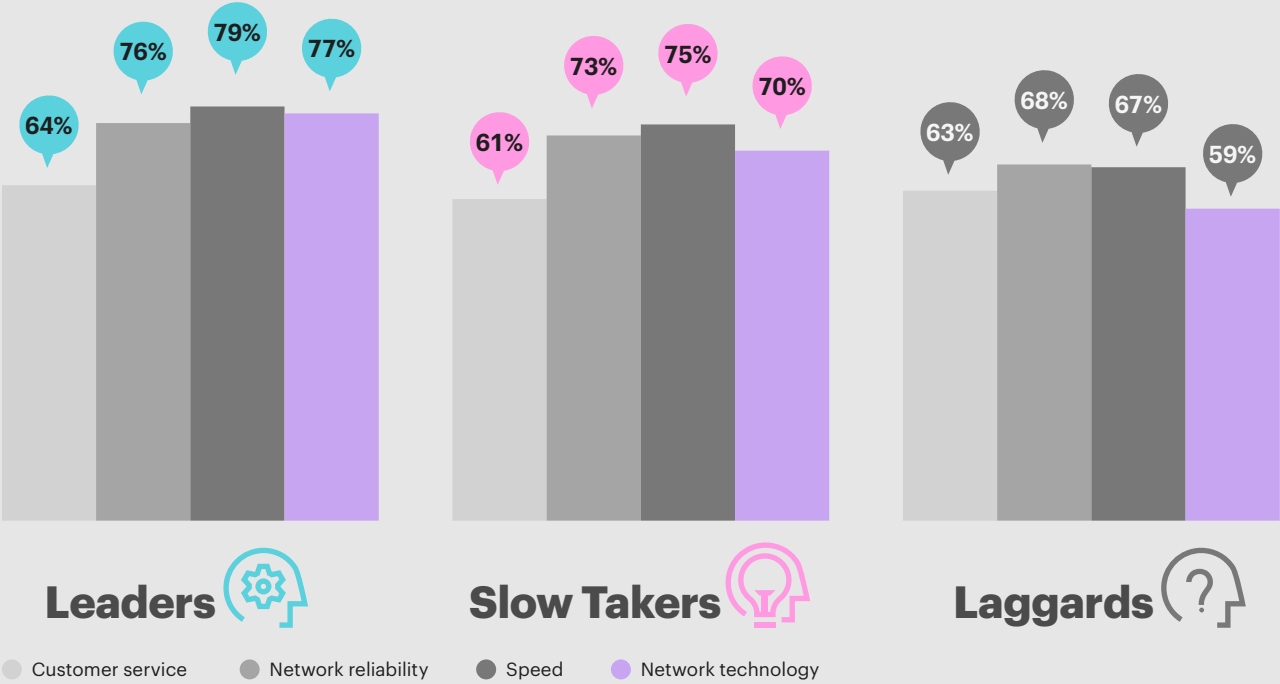
Figure 2
Fiber take-up versus coverage

Breakdown of financial returns across European groups
Size of bubble is three-year ROCE average 2021–2023, fiber take-up 2024, fiber coverage 2024



Note: ROCE is return on capital employed.
Sources: FTTH Council Europe; Kearney analysis

Figure 3
Customer satisfaction across clusters

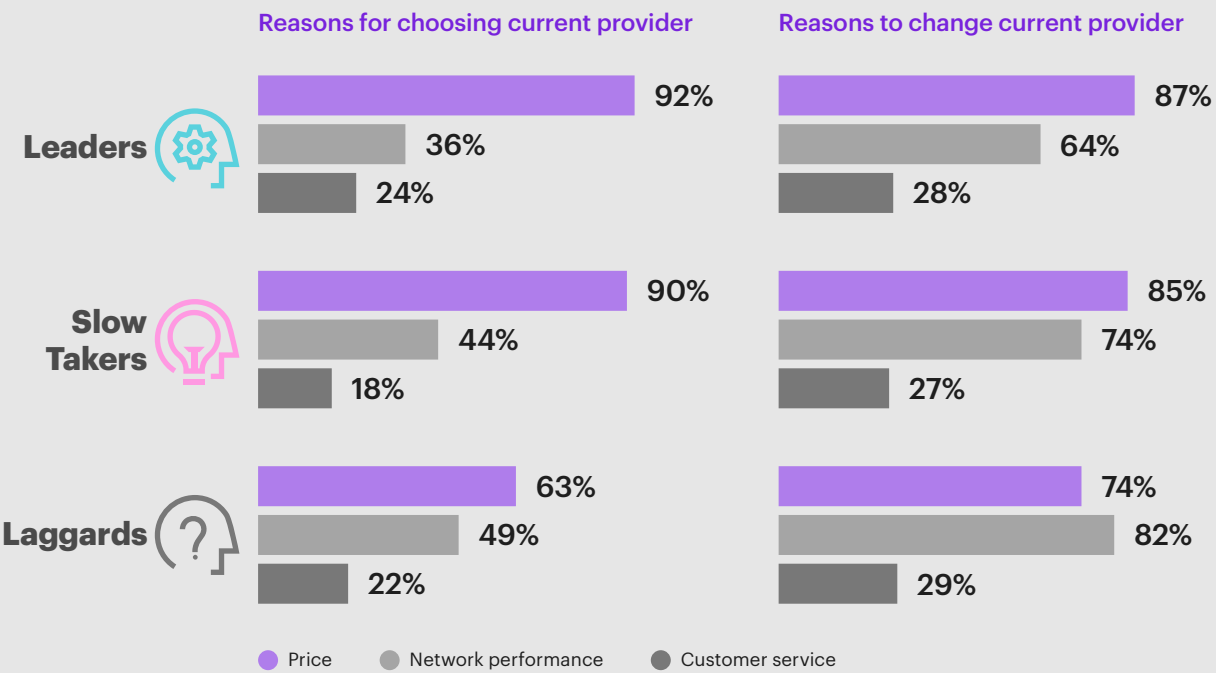


Source: Kearney analysis

Findings from Kearney’s customer survey help explain why adoption differs so sharply among groups. Fiber commercialization cannot be reduced to price or speed alone. Figure 3 shows that most customers across all groups, including the Laggards, where average broadband speeds remain the lowest in Europe, report being satisfied with the speed they currently have. This paradox highlights why simply offering faster connections does not automatically translate into adoption. Consumers will only migrate when they perceive a meaningful improvement in value, reliability, or service quality. In Switzerland and Sweden, for instance, broadband ARPU as a share of household income is well above the Index average—1.5 to 1.8 percent compared with 1.3 percent—yet these countries record some of the highest satisfaction levels. Customers are willing to pay more when they trust the quality of what they receive. Conversely, the weakest markets reveal the opposite: even when networks exist, weak commercialization strategies and poor customer service undermine trust and adoption.

The survey also confirms that price is the leading factor when consumers choose or switch providers, and operators could in theory accelerate adoption by lowering FTTH prices (see figure 4 on page 15). Yet this approach would only put margins at risk in a sector already under financial strain. A more sustainable path is to increase the perceived value of fiber. If customers associate fiber with superior service—reliable performance, clear communication, faster installation, and better care—they will see the prices as justified and be more willing to migrate. Operators can use superior service as a way to reduce churn and upsell bundles if they position it well against existing FTTC services. In some markets, premium positioning may even allow higher pricing, as seen in Switzerland and Sweden, but in many others, the priority is simply to make the price feel worth paying.

Figure 4
Factors affecting choice of telecom provider



Source: Kearney analysis

This is why markets with weak commercial performance see higher churn risk. In the bottom 10 countries in the Index, dissatisfaction rates are markedly higher than in the top 10, showing that deployment without successful commercialization cannot create sector health. Yet, there is an opportunity to turn this around. The survey also indicates that lower costs and higher service quality can be achieved together, especially by using AI and GenAI in customer engagement and support. These tools can help operators streamline service while improving customer experience, creating the conditions for stronger adoption.

Ensuring the right proposition and superior customer engagement are not trivial, particularly in markets where there is a clear separation between FTTH wholesalers and retailers. Maximizing take-up and competitiveness requires coordinated action across the entire value chain to ensure all players have the incentives to promote take-up of the latest services and deliver strong, positive customer service. For

example, wholesalers can implement targeted migration incentives—such as one-off contributions to retail service providers (RSPs) that are partially passed through to end customers as retail price reductions—while requiring RSPs to commit to minimum migration volumes, ensuring that price reductions are sustainable for both parties and directly stimulate demand. At the same time, wholesalers can work with RSPs to co-design digital-first, transparent activation journeys and strict service quality protocols. By jointly addressing pain points—such as unclear installation timelines, poor communication, or inconsistent service quality—wholesalers and RSPs can build trust, reduce churn, and make FTTH the clear upgrade over legacy technologies.

Copper switch-off is also important and a potentially powerful accelerator of fiber take-up, but only if it is managed as a structured, area-based program with stop-sell and shutdown windows, consumer safeguards, wholesale continuity, and a plan to address stranded costs.

For switch-off to work in 2026, regulators will need to set clear timetables, notice periods, and rules to protect consumers and maintain wholesale continuity while also addressing tariff rebalancing and stranded-cost recovery. Operators will need to run address-level inventories, sequence migrations, provide like-for-like FTTH plans, and ensure field-force capacity. RSPs must be guaranteed equivalent access to FTTH and coordinate customer migrations, while consumers require clear notice, simple journeys, and continuity for vulnerable users and legacy services. Finally, all parties will need to align on a 12- to 18-month road map and track progress transparently through dashboards of migration readiness.

Country examples reinforce this approach. In Spain, strong rollout initially did not translate into adoption, but aggressive migration incentives, bundled offers, and a supportive wholesale model helped the market move firmly into the Leaders group. Portugal showed how a clear regulatory copper switch-off, with early, well-sequenced shutdown windows and equivalent wholesale FTTH access, made fiber the default choice for households. France went even further when its regulatory authority, ARCEP, established an area-by-area process that combined stop-sell, timed shutdown windows, equivalent wholesale access, long notice periods, and stranded-cost rules. This led to an orderly transition that has balanced competition, consumer protection, and operator viability.

Greece, meanwhile, used a demand-pull approach. Despite premium pricing, fiber take-up rose 46 percent in a single year (2023 to 2024), driven by customers upgrading from the slowest broadband speeds in Europe: 63 megabits per second (Mbps) compared with an Index average of 171 Mbps. Competition also increased among operators, leading to attractive retention and upselling offers. Together, these examples illustrate how successful adoption requires a mix of commercial innovation, regulatory clarity, and genuine customer demand.

In contrast, the Netherlands remains stuck as a Slow Taker market, where strong hybrid fiber-coaxial networks provide decent service and customers see little reason to switch, which has limited fiber take-up to just 38 percent of households-passed despite 93 percent coverage.

The lessons are clear. Fiber adoption only accelerates when three elements come together: compelling propositions that customers value, superior engagement that builds trust, and a structured copper switch-off that removes inertia.

Priorities for jump-starting fiber commercialization

Pursue the right value propositions

Replace a “build it and they will come” approach with deliberate go-to-market strategies that include persuasive customer value propositions.

- Introduce simple FTTH plans with service-level agreements (SLAs) that guarantee busy-hour speed, installation timelines, and repair commitments.
- Offer migration incentives, such as discounts for moving from copper or coax, and support them with proactive, assisted-migration outreach.
- Create bundles that combine FTTH with mobile, over-the-top streaming services, or smart-home services so that migration feels like added value rather than added cost.
- Use premium positioning where possible. (In Switzerland and Sweden, customers are already willing to pay more for reliable, high-quality service.)

Ensure superior customer engagement and smooth customer journeys

Adoption will only grow if customers trust the experience and perceive it as differentiating vis-à-vis the other technologies.

- Build assisted-migration factories that contact eligible households, schedule appointments, and guarantee at least 95 percent installation success.
- Provide priority FTTH care lines, first-contact resolution, and proactive fault detection, so customers feel they are buying into a superior service.
- Introduce transparent compensation rules if SLAs are not met.
- Use AI or GenAI to lower operating costs and deliver more personalized offers and proactive customer care at scale.

Orchestrate copper switch-off

Dedicated programs can reduce inertia and accelerate migration, but only if they're structured and regulated.

- Publish area-based migration playbooks with stop-sell and shutdown dates.
- Align with regulators on consumer safeguards, wholesale continuity, and stranded-asset treatment to balance consumer protection with operator economics.
- Sequence migrations carefully (for example, with multi-dwelling units before or after single-dwelling units, depending on readiness) and ensure sufficient field-force capacity.
- Track progress weekly with key performance indicators for migration. They should be transparent and include factors such as eligible households and those contacted, scheduled, and installed, or failed installs and churn. Share this data with regulators and RSPs.

The stakes for fiber commercialization extend far beyond the telecom sector and its operators. Fiber is the foundation for Europe's digital competitiveness. Without widespread adoption, ambitions for AI, Internet of things (IoT), cloud, and immersive digital experiences risk stalling. Just as 5G commercialization has become a test of Europe's ability to turn infrastructure into value, fiber will determine whether households, businesses, and public services can fully embrace the next wave of digital innovation.

Fiber is not just about infrastructure. It turns potential into performance, creating networks that people actually use. Thus, Europe now faces a crossroads. Its Laggard countries may enjoy strong margins today by sweating legacy networks, but without widespread fiber adoption, their economies will fall behind. Countries with Leader markets demonstrate what success looks like: strong financial health, high customer satisfaction, and digital economies ready for the future. The challenge for followers is to finish the job.

Fiber is not just about infrastructure. It turns potential into performance, creating networks that people actually use.

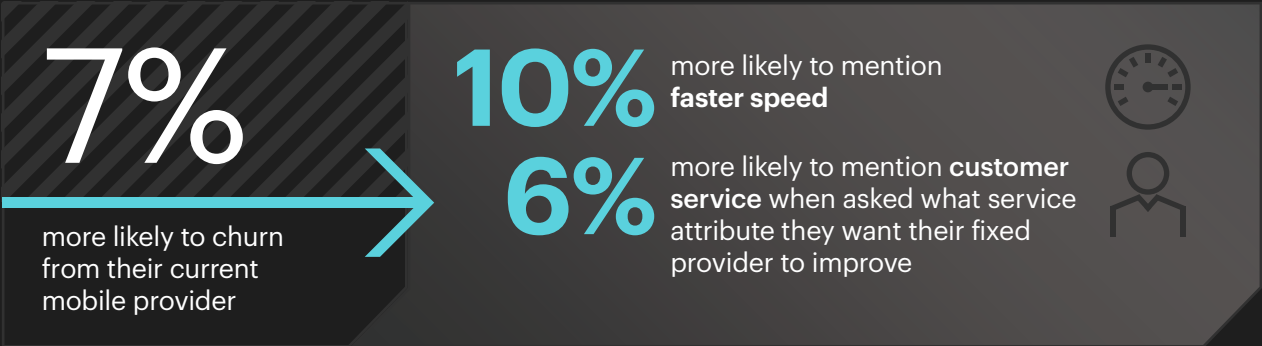
The voice of the European customer

How satisfied are customers with their providers

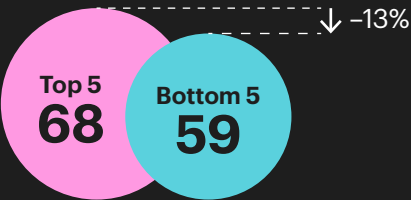
Compared with the bottom five countries, customers in the **top five countries** are:



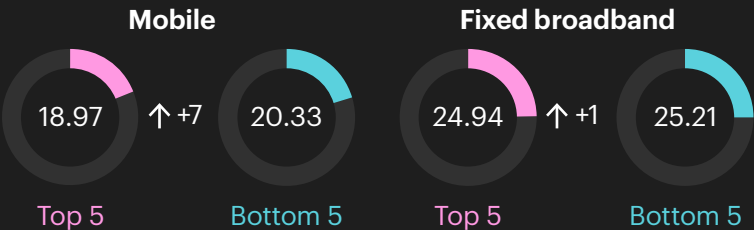
Customers in the **bottom five countries** are:



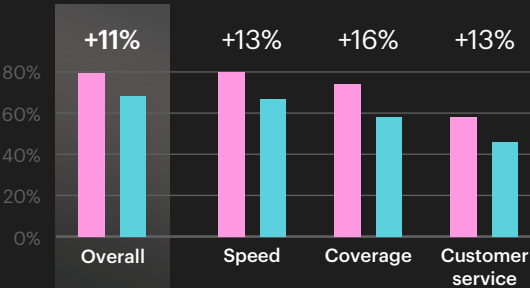
Share of households with 2+ mobile subscriptions using the same provider



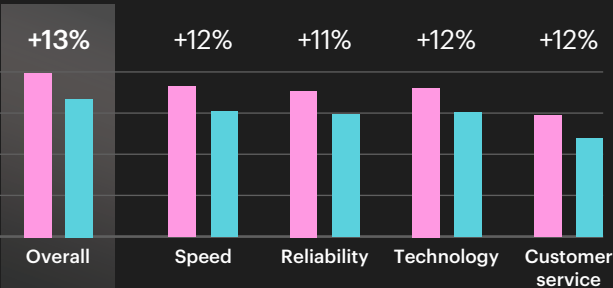
% of subscribers at risk of churning



Net satisfaction with mobile services

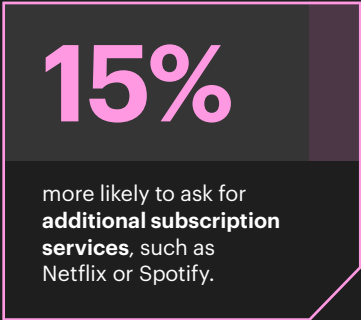
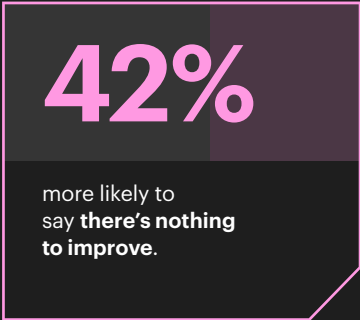


Net satisfaction with fixed broadband services

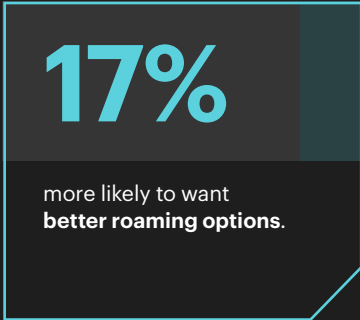


What customers want their providers to improve

Customers in the top five countries:



Customers in the bottom five countries:



Customers in the top five and bottom five countries agree that **coverage, speed, and customer service** are their top priorities.

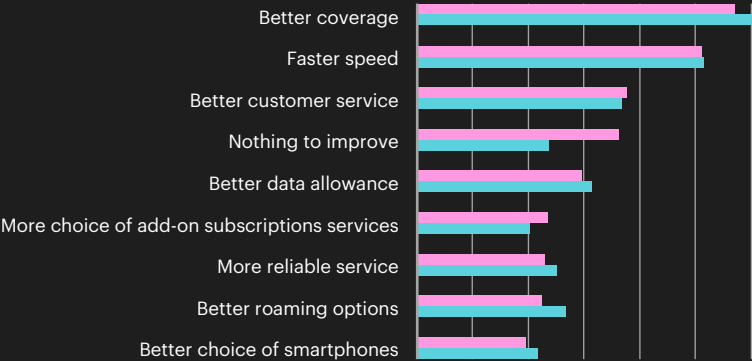


The fourth choice in the top five countries was **"nothing to improve."**

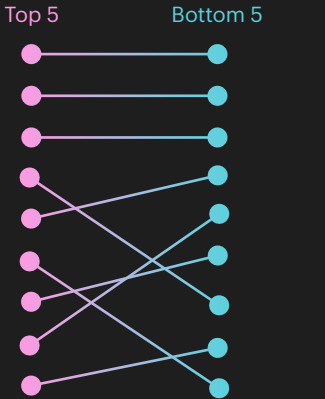


Customers in the bottom five countries rank **data allowance, more reliable service, and better roaming options** higher.

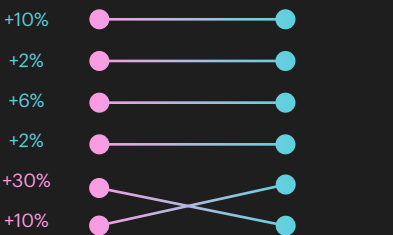
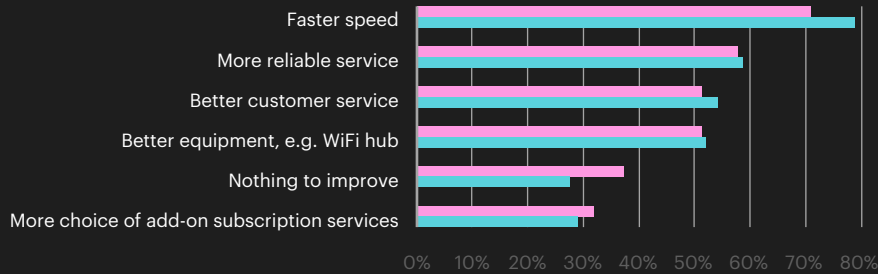
Things customers would like their mobile provider to improve



Ranking of priorities by country



Things customers would like their fixed provider to improve



Action path #2

A new B2B ICT model can be a real oxygen boost

Telecom operators have long looked to B2B ICT services for cross-sell and upsell opportunities. From managed desktop and network services to outsourced IT functions, application development and management, and even integration services, they've hoped ICT would lead to growth in saturated connectivity markets. But after more than a decade of pursuing ICT, is it really paying off? Are operators extracting the full value from their ICT investments, or are they diluting it and actually worsening their own financial health and that of the overall sector in the process?

For many operators, ICT services are a drain on their core network business. They may provide an opportunity for growth, but sales cycles are longer, delivery is harder (and often outsourced), margins are lower, and returns are inconsistent. Operators' legacy IT and operating models struggle to handle the depth of skills and agility needed. So, it could seem like ICT is simply too much effort for too little gain. We see a different path: healthy, successful ICT is possible with a new model that is significantly different from the ones most operators are using to compete in this arena.

A missing growth engine for Europe

The overall European ICT market was worth [just under \\$1.3 trillion in 2025](#) and is forecasted to grow at 10 percent per year.⁵ Given this size and growth rate, it's understandable why operators thought B2B ICT services would help offset declining connectivity revenues and margin compression. They already had sales machines in place for their connectivity portfolios and better coverage than many IT and tech firms, so ICT seemed to promise a new relevance for enterprise customers, higher wallet share, a move up the value chain, and a way into sticky managed services. Indeed, strong early order volumes and some major contract wins made the opportunity look real.

Yet in Europe, as operators tried to scale initial successes and address a broader set of customers, the balance between standardized telecom services and tailored ICT services began to tilt, leading to disappointing results. As operators have scaled up services, the expected efficiencies have failed to materialize, and the complexities of delivering custom services to meet the varied and demanding needs of higher-value corporate IT requirements have proven much harder to manage than operators anticipated.

The data is sobering. European operators with large ICT bets have consistently underperformed peers in return on capital and cash conversion. In-house ICT subsidiaries struggle to scale. The long-promised ICT flywheel is nowhere in sight. And costs have been organizational as well as financial. ICT ventures have consumed internal focus, leadership capacity, and IT investment with little to show. In many cases, the pursuit of ICT growth has weakened—rather than strengthened—operators' overall strategic and financial health.

This failure, in turn, is having a detrimental effect on the continent's competitive growth, manifested in value leakage to US- and Asia-based companies, weakening of European technology start-ups, and talent loss to other regions.

Why ICT hasn't worked

Most telecom operators have misunderstood what it takes to win in ICT. They've often tried to be systems integrators, but application development, desktop management, and IT outsourcing are labor intensive and talent specific. Delivering them requires speed, decentralization, and intimate customer proximity. Operators, by contrast, are built to scale capex-heavy platforms with high volumes under regulatory and capital constraints. They assumed that as an adjacent product portfolio, ICT services would leverage the same systems, tools, and organization. But applying that model has led to rigid processes, high overhead, and poor agility—all fatal blows in a bespoke services business. Operators have also been unclear about whether they want to offer the full ICT stack or only connectivity-adjacent services. Many have tried to do a bit of everything, including competing or partnering with global integrators—and ended up doing little of it well.

What most operators have actually built is a reseller model: repackaging SaaS, integration, and public cloud services with wafer-thin margins. Only in private cloud, colocation, and network-adjacent ICT have they captured real value—because these draw on their traditional assets and competencies. This raises a key question: can operators move beyond reselling, and if so, which services should they in-source to capture margin, and which should they leave behind?

Time for a new strategy

The sector now faces a hard choice:

Retreat to core. Double down on connectivity, exit ICT, and return to “pipes with purpose.” AT&T's divestment of its cybersecurity arm LevelBlue and Telstra Purple's restructuring show what retreat looks like.

Reset ICT on new terms. Rebuild the portfolio based on sovereign, margin-accretive adjacencies, where operators' positions in network heritage and trust create a right to play.

A complete ICT exit would be a mistake. Our view is that the second option, done right, offers operators a profitable growth path through differentiation in commoditizing markets, anchoring customer trust, and serving national priorities, including digital sovereignty and cybersecurity. If they step back, hyperscalers will fill the void, leaving Europe structurally dependent on foreign providers.

A new model for ICT success

This has two parts: where to play and how to operate in ICT.

Where to play

Rather than aiming to be full-stack ICT providers, operators can specialize in areas where they can credibly compete and command margin:

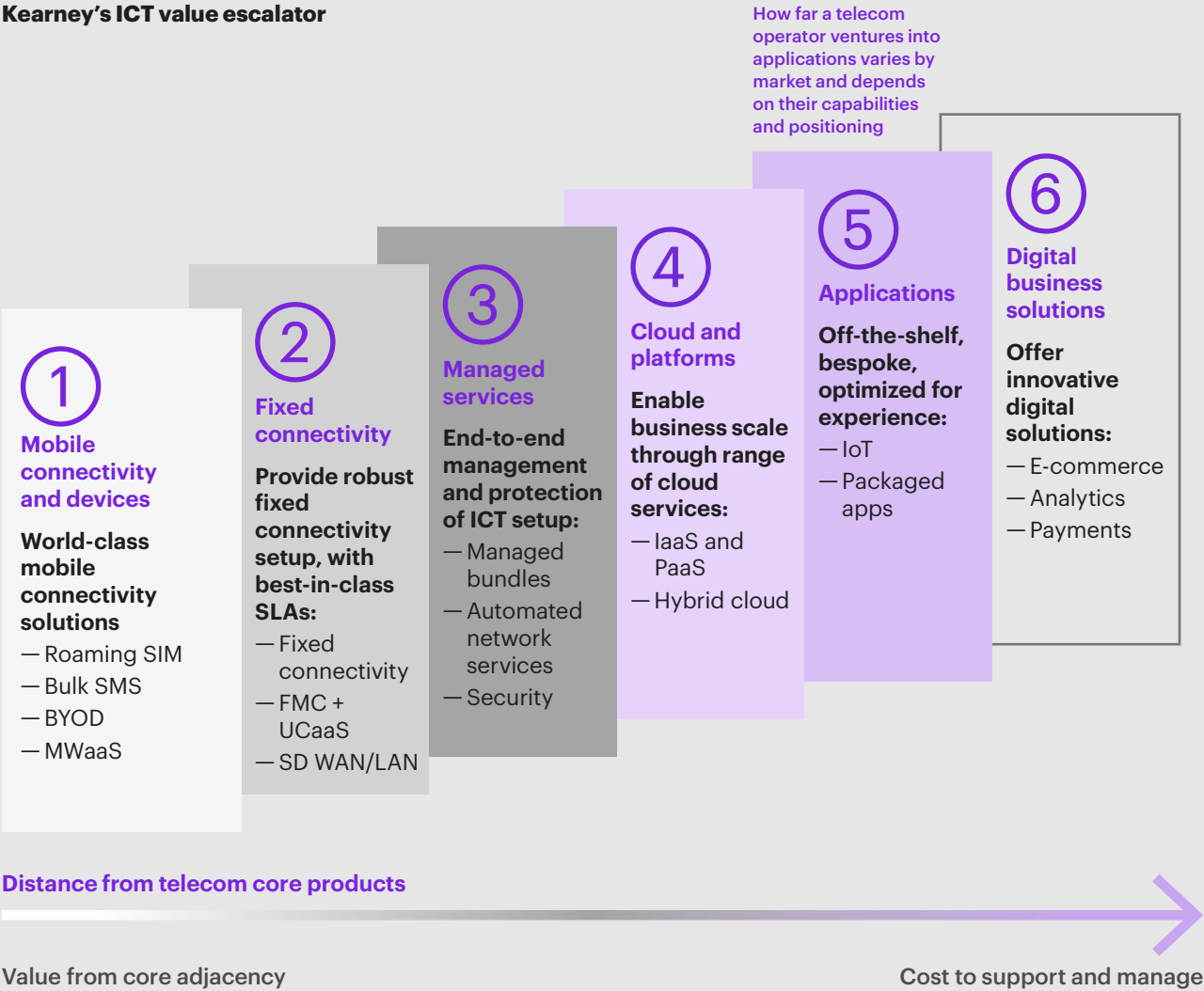
- **Managed secure networks** (LAN, WAN, SD-WAN, SASE)
- **Sovereign data centers and private cloud** capacity, with proprietary infrastructure that is differentiated by neutrality, efficiency, and regulatory trust
- **Security platforms** anchored in existing infrastructure relationships and closely tied to ensuring network and edge security
- **Unified communications and collaboration** (UC, CPaaS, CCaaS) tightly integrated with network services
- **Edge and IoT orchestration** for hybrid environments

These domains are adjacent to the core network, asset-backed, and defensible—yet valuable enough to deliver premium margins when orchestrated as integrated solutions. At the same time, we urge telecom operators to exit people-heavy integration plays where they cannot win. Attempting to replicate global integrators has wasted more than a decade. Future success depends on ruthless focus, having the courage to kill legacy portfolio creep and not to interrogate past decisions hoping for a positive ROI that is proving a budget drain.

Figure 5 shows our view of the ICT value escalator. Almost all operators offer services in category one and two, and many have successfully moved into categories three and four given the adjacency of these services to their core network services offerings. Category five (applications) is where operators need to be selective, placing bets where they can win and having the discipline to avoid the services where they do not have an advantage or differentiating capability. Each operator will need to analyze the opportunities in its own markets and weigh these against its own capabilities and positioning to determine how far up the escalator they should go and exactly which services they should launch and offer. Lastly, there is a need to validate all additional products and ensure there is clear pull through value from core services—or risk repeating the learnings of others.

Telecom’s choices today shape Europe’s digital sovereignty tomorrow

Figure 5
Kearney’s ICT value escalator



Note: ICT is information and communications technology.
Source: Kearney analysis

How to operate

A key to profitable ICT services is managing them differently from connectivity services. Separate leadership, incentives, and operating models are essential. Be the orchestrator, not the builder, stitching together hyperscalers, SaaS vendors, and vertical specialists into sovereign, trusted, margin-accretive offers that provide choice to businesses and demonstrate synergy with core connectivity services. Offers will be replicable and scalable while avoiding specialized solution requirements for one-off customers. Operators are unlikely to develop large-scale proprietary software or platforms on their own, but they can create differentiated, scalable offerings by integrating tools from ecosystem partners and building the capabilities to operate and manage these services for customers. Successful examples of this model include managed IoT connectivity and analytics services, cybersecurity operations centers that combine operator network data with partner threat-intelligence platforms, and sovereign or edge cloud services delivered in collaboration with hyperscalers.

Who is getting ICT right?

- **Swisscom.** This telco built a profitable ICT business based in enterprise cloud, security, and workplace services, with long-term national customer integration.
- **KPN.** This Dutch telco offers disciplined bundling of security, cloud, and workplace with network services while explicitly phasing out legacy.
- **Vodafone Business.** The company offers connectivity plus IoT scale as the center of gravity, with selective UC and security adjacencies.
- **AT&T.** This telco is retreating to core after making costly missteps, underscoring the risks of overreach.

It's time to make a clear choice

AI disruption has created a once-in-a-decade opportunity for operators to reposition ICT around edge, data sovereignty, and secure integration. Mid-market enterprises and governments are looking for trusted local partners, not another resale channel for hyperscalers. Europe's ICT market is worth hundreds of billions, and the operators that seize the sovereign, network-adjacent space will shape the continent's competitiveness for decades.

In the process, they have a choice to make:

- **Persist and pivot.** Reset ICT portfolios to focus on sovereign, margin-rich adjacencies, with fit-for-purpose operating models.
- **Exit decisively.** Accept the role of commoditized connectivity utility.

There is no middle road. Continuing with half-measures will only drain resources, distract from the core business, and erode company, country, and regional competitiveness, inevitably resulting in a less healthy telecom market. The choice is existential—for the telecom sector's health and for Europe's digital sovereignty.

The good news is the prize is worth it. Enterprise digital transformation is accelerating, driven by AI disruption and growing cost pressures from increasingly unknown supply chain structures. AI, edge computing, cyber threats, and sovereign data infrastructure are now board-level topics. Customers are looking for trusted local partners that can help simplify ICT frameworks and help them navigate complexity—especially in mid-sized markets—and forward-thinking operators will seize this opportunity with clarity, discipline, and a clear focus on execution.

Make AI a business-led health enabler

As the European telecom, digital, and technology sectors move beyond the initial excitement of AI pilots, the focus shifts to the core issue of sustained transformation: ensuring that AI delivers persistent, measurable value. What we at Kearney have learned as we work with clients in these sectors and document telecom sector health through our Index is that achieving this goal requires more than technical adoption; it demands a complete approach to decision-making and change management.

AI implementation is at a critical juncture. Financial viability and operational integration are now as important as innovation. Many telecom operators are discovering that successful AI programs depend on new workflows, redefined roles, and business model adaptations. They may be easy to identify, but the changes are proving far harder to make and looking a lot like the next major transformation that telecom operators will face. Our research and client engagements consistently show that treating AI as a strategic business capability, rather than a stand-alone technology, is foundational for success.

Three principles create lasting value from AI in telcos:

- **Business–technology alignment.** True impact is realized only when business and technology teams collaborate closely, co-owning ideation, implementation, and ongoing optimization.
- **Process-first transformation.** Efficiency blossoms when organizations reimagine and adapt business processes before systems, avoiding the pitfall of retrofitting AI into outdated workflows.
- **Business ownership and accountability.** Assigning clear business leadership for AI initiatives leads to robust performance, output validation, and continuous improvement.

The maturity seen in digital-native firms illustrates these points. Their ability to integrate AI rapidly and effectively comes from organizational agility, cross-functional teamwork, and an unwavering focus on business outcomes—lessons European telecom operators can adopt for their own transformations.

We also caution against pursuing AI simply for brand positioning or fear of missing out. Embedding AI as a core business capability, with purpose-driven deployment linked to persistent value creation, is what makes for durable, supportable transformation.

We anticipate that agentic AI—the next evolution in digital skills and workforce transformation—will reshape telecom operations and service models. Success with agentic AI will depend not on technical sophistication alone, but on readiness to integrate these agents into workforce planning, role definitions, and performance management, combined with clear business ownership and strategic intent.

Business leaders are concerned that organizational barriers will limit AI’s potential. Investment patterns in both the United States and Europe reflect this caution. The customer survey we conducted jointly with our Telecom Health Index reveals a gap between vendor expectations for AI-driven revenue growth and business targets for cost optimization. What’s needed are realistic, value-focused strategies.

As we move deeper into the agentic AI era, the imperative for telecom businesses—and indeed all organizations—is to adopt an approach that bridges business and technology, draws on lessons from earlier transformation efforts, and corresponds with a broader organizational vision and changes set out within this report. Operators have seen enough examples of the importance of business ownership, cross-functional collaboration, and the relentless pursuit of real, sustainable value. The crucial point to clarify now is this: Will European operators learn from their past or be destined to repeat it in the AI era?





Action path #3

Heal the topline with an AI-powered customer value prescription

From product push to precision play: telecom growth needs a rethink

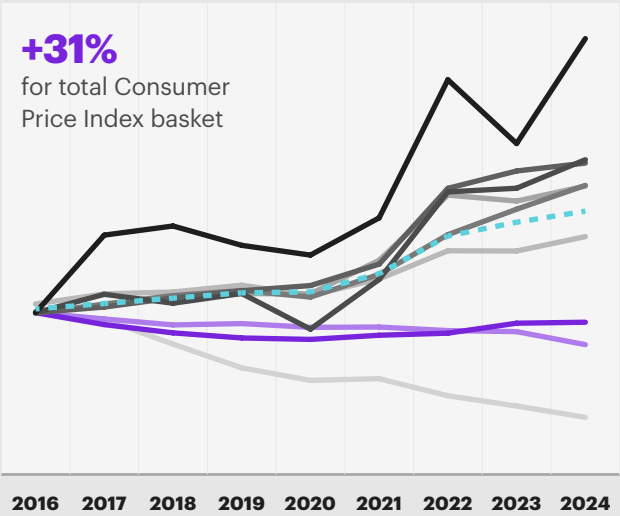
Across Europe, the telecom sector is facing a strategic dilemma. Revenues are stagnating or falling, even as consumer prices for other goods and services climb. While the EU consumer price index has risen more than 31 percent from 2016 to 2024, wireless telecom revenues have declined 10 percent in the same period, a de-facto erosion of 41 percent in real terms (see figure 6 on page 27).

The Kearney European Telecom Health Index shows that countries with the lowest telecom ARPU as a share of household income also record some of the lowest margins, for example, in Denmark and Romania. These pressures reveal a structural issue: operators are struggling to extract more value from their customer base. It's not that markets such as Denmark and Romania lack potential or have any less demand for telecom services, but rather they are not activating them effectively. This is where customer value management (CVM) becomes essential.

Most operators would claim boldly they are already applying CVM. However, our Index shows there is a major difference between the top and bottom players in how widely and well they execute CVM and maximize available value from existing relationships. Done well, CVM enables operators to deliver the right product, message, and experience at precisely the right moment. This not only enhances customer satisfaction and loyalty but also reduces churn and increases ARPU. Crucially, CVM aligns with the growing imperative for capital efficiency. CVM is one of the few strategies that can simultaneously lift top-line growth, expand margins, and improve customer experience, making it indispensable in the strategic playbook of modern European telecom operators.

Figure 6
European Union Consumer Price Index

European Union Consumer Price Index



¹ Based on 462 categories tracked by Eurostat
Sources: Eurostat; Kearney analysis

	2016–2024 Change	2016–2024 Rank ¹
--- All items	30%	
— Olive oil	85%	5
— International flights	47%	54
— Bread	46%	59
— Accommodation services	40%	101
— Housing and utilities	39%	108
— Transportation services	21%	299
— Wired connectivity services	-3%	447
— Wireless connectivity services	-10%	453
— TV sets and other A/V equipment	-32%	460

CVM in practice: there’s a gap between ambition and execution

One way to measure how well operators execute CVM is to look at the share of customers buying multiple services from them. Our customer survey reveals that of households buying multiple mobile subscriptions, in countries among the top five in our Index, 68 percent are buying them from the same provider; in bottom-five countries, only 59 percent do. The delta between the two shows the opportunity operators are missing, and it is fair to say that even those in the top-five countries could do better: 32 percent of households buy from multiple providers where operators have not convinced them to consolidate their spend with them. That’s nearly a third of their customers.

Looking at the combination of fixed broadband and mobile services shows a similar missed opportunity. Of our respondents in the top-five countries who buy both fixed and mobile, only 34 percent buy them bundled from the same operator. The remaining 66 percent are either unaware they could bundle services or were not persuaded of the benefit. The missed opportunity is even greater in our bottom-five countries, where only 28 percent have bundled, leaving a large potential target of 72 percent who could bundle if operators offered a compelling proposition and engaged with customers in the right way to sell it.

AI heals the gap and a whole lot more

The two keys for 2026 are how to better weave CVM into all customer processes and how to embed AI into CVM to maximize the impact. Although operators claim to be using CVM approaches, most lack a fully incorporated, data-driven model that produces personalized interactions with customers at scale. Imagine a setup where a household's behavioral cues, such as changing usage patterns, automatically trigger hyper-personalized offers. Instead of waiting for churn signals, the operator proactively engages the customer with the right bundle, message, and timing, powered by a combination of machine learning and AI.

GenAI offers tremendous potential to improve engagement, personalization, contextualization, and predictive capabilities, using new data sources such as customer dialogues and call recordings. It can enhance CVM by analyzing customer interactions more deeply, moving beyond the traditional data warehouse to richer, practical insights for improving product discovery, pricing, customer experience, sales of upselling funnels, and conversion rates as well as prompting anti-churn measures.

Tech companies with customer engagement at the heart of their operations show what is possible. [Netflix](#) uses an advanced personalization and recommendation system that chooses which titles to suggest to customers in the player and in reminder e-mails. These prompts help maximize minutes watched, reduce churn, and increase subscription lifetime value.⁶ Amazon uses large-scale, real-time recommendation systems, plus product and marketing personalization and offer timing, to show items relevant to each customer at the right time.

Telecom operators could see similar excellent outcomes by evolving from static campaigns in quarterly cycles to dynamic engagement platforms that learn from every interaction and optimize themselves iteratively in near real time. This isn't theory. Kearney's client work shows that when done right, CVM can lift direct margins by 2.5 percentage points, increase ARPU by up to 15 percent, and reduce churn by as much as 10 to 15 percent.

Similarly, our Index illustrates the relationship between operators' ability to monetize their customer base and their financial performance. Countries with stronger CVM indicators, such as higher ARPU relative to household income or pricing power aligned with inflation, show healthier numbers in terms of telecom revenue as a share of GDP. Portugal and Switzerland, for example, have sustained mobile price levels in line with recent inflation and now enjoy some of the highest telecom contributions to GDP (2.3 percent and 1.7 percent, respectively).

This pattern leads to a broader insight: CVM maturity is not just a function of internal capabilities; it is a key predictor of national telecom health. Operators that fail to engage customers with personalized, data-driven offers are leaving money on the table and probably not fully meeting their customers' needs. Those that excel at CVM unlock greater loyalty, drive incremental spend, and improve capital efficiency.

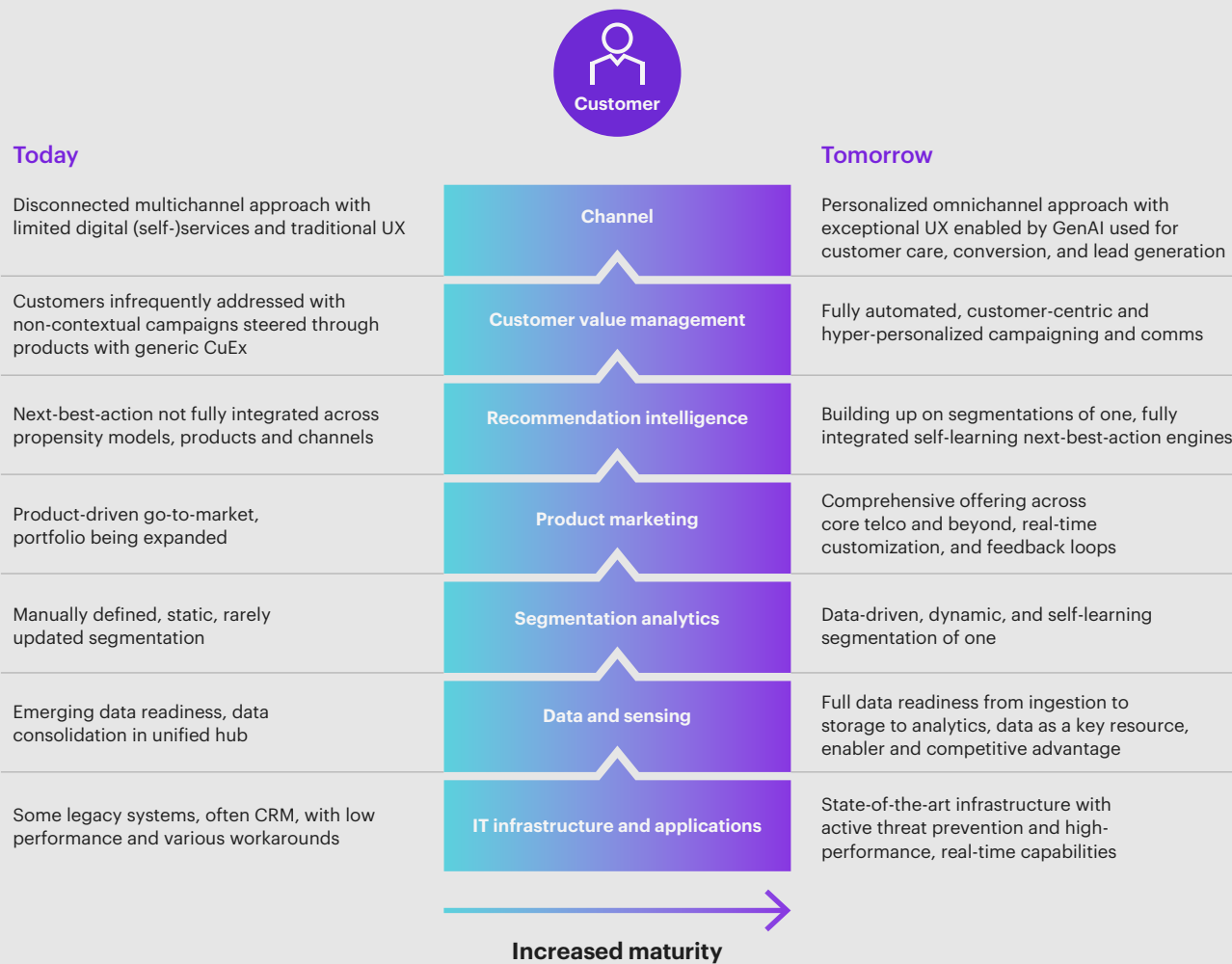
Climbing the maturity curve

Kearney's CVM maturity framework reveals stark differences in capabilities across the sector. The framework depicts seven steps across the CVM value chain and assesses operator capabilities against five stages of maturity (see figure 7 on page 29). Capabilities mostly fall within the foundational to emerging range, with only a few approaching leading practices in areas such as recommendation intelligence and product marketing. Maturity in one or two areas, however, is not enough. True customer centricity requires synchronized excellence across all seven steps. In leading organizations, data and sensing capabilities are tightly integrated with campaign management and product design. Channels are orchestrated to deliver seamless, real-time experiences rather than siloed messages. AI actively shapes CVM, playing a pivotal role in bringing speed and scale, generating campaign content automated on demand, updating segment models, and even personalizing user journeys.

Leveraging AI to maximize CVM impact

For forward-thinking European operators, AI is becoming a cornerstone of CVM, providing the tools to generate and capture more revenue opportunities, run campaigns and operations more efficiently, and deliver a better customer experience that feels personal and addresses their needs, reducing the frustration that so many customers have when interacting with their provider.

Figure 7
Kearney’s CVM maturity framework



Note: CVM is customer value management; UX is user experience; CuEx is customer experience; CRM is customer relationship management.
Source: Kearney analysis

A handful of high-impact applications are already in play:

Product discovery. AI-driven recommendation engines help customers identify the most relevant plans, devices, and digital services in real time. By analyzing behavioral, contextual, and network-usage data, operators can present options that match each user’s profile and preferences. This makes product discovery more intuitive and personalized, improving conversion rates and overall customer satisfaction.

Predictive churn management. Machine learning models identify customers who are at high risk of churn by detecting behavioral and service-quality indicators, such as declining usage or increased complaint frequency. These insights enable proactive retention interventions that improve loyalty and reduce customer attrition, such as tailored incentives, outreach, or service recovery.

Offer optimization and customization. Predictive models use life cycle and behavioral data to determine which offers—upgrades, add-ons, or bundles—are most likely to resonate with individual customers. Advanced reinforcement learning systems continuously test and refine these offers, ensuring recommendations maximize long-term customer lifetime value rather than short-term sales.

Next-best-action decisioning. AI-powered decision engines evaluate a customer's profile, journey stage, and predicted value to determine the most effective next step—whether that's a product suggestion, loyalty reward, educational nudge, or service follow-up. This ensures that every interaction is timely, relevant, and aligned with both customer needs and business objectives.

Intelligent self-service. AI-enabled chatbots and virtual assistants streamline customer support by resolving routine inquiries through natural, conversational interfaces. Using natural language processing (NLP), these tools can understand intent, provide personalized guidance, and even facilitate transactions—reducing operational costs while enhancing the customer experience.

How to build scalable muscle

Achieving CVM excellence is not about deploying tools or outsourcing personalization. It is about building a scalable organizational muscle and training it continuously with feedback loops from contextual campaigns and continuous review of campaign conversion and effectiveness, among other measures. This means embedding continuous learning in the campaign process. Leading telecom operators are moving away from big-bang campaign launches and toward iterative testing. They now favor A/B testing, fast-cycle creative experiments, and real-time feedback loops that update customer segments dynamically. However, these methods only work if the organization is set up to act on them.

Three practical steps can help meld CVM with operations:

Start with the customer. This obvious but necessary starting point involves customer-centric thinking plus aligned targets and objectives. Map complete customer journeys across all touchpoints, such as web, app, store, call center, and billing, using analytics tools to identify friction points and emotion peaks. Create customer persona-based experience standards with measurable metrics, such as net promoter score by journey stage and effort scores. Implement predictive journey orchestration to anticipate next-best actions based on behavior patterns and life-cycle stage. Then, deploy real-time decisioning engines that personalize experiences in milliseconds across all digital touchpoints.

Treat data and AI as the lifeblood of effective CVM.

This requires operators to handle differentiation, personalization, contextualization, and efficiency at scale. Cloud-based customer data platforms and AI orchestration engines help them do this by processing millions of micro-segmentation decisions in real-time. Create cross-functional “customer value pods” with dedicated resources from marketing, data science, product, and channel teams that report to commercial leadership. Establish weekly “revenue war rooms” where all CVM stakeholders review performance dashboards and make real-time resource allocation decisions. Over time, deploy integrated technology platforms that provide single views of customer data, campaign performance, and ROI across all channels.

Train step by step, capability by capability. Launch dedicated CVM centers of excellence with specialized roles: customer data scientists, journey analysts, campaign automation specialists, and AI and machine learning engineers. Implement rapid prototyping methodologies with two-week sprint cycles for testing new CVM use cases with tools like A/B testing platforms and real-time analytics. Create “CVM sandboxes,” which are isolated environments where teams can experiment with new data sources, algorithms, and campaign strategies without impacting core systems. Establish automated performance monitoring using machine learning algorithms that optimize campaigns continuously and then flag underperforming initiatives for human review.

Operators that embrace pragmatism, board-level sponsorship, and a focus on high-value use cases can capture meaningful returns early. But moving beyond short-term wins will require shifting the data, systems, and structures to support an industrialized CVM model that drives long-term customer value and business growth.

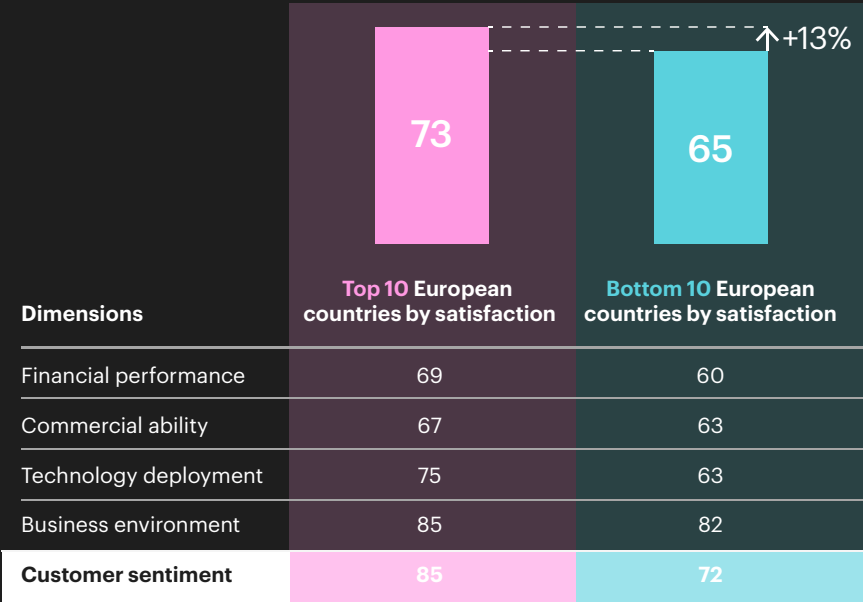
Time to act: CVM as a strategic imperative

In a sector where market saturation, regulatory constraints, and price competition have eroded traditional growth levers, forward-thinking telecom operators will find new ways to deliver value. A key way to do that is by elevating CVM from a functional initiative to a strategic imperative. Operators will replace isolated campaigns with a dynamic, data-driven capability that continuously adapts to evolving customer needs, deepens engagement, and unlocks sustainable growth. Its impact will extend beyond immediate financial gains to improve the operator’s long-term resilience, relevance, and agility in an increasingly digital and customer-centric landscape.

It’s time to scale-up customer value management and fully leverage it for maximum impact.

As our Index underscores, the next wave of value will come not from expanding the subscriber base, which is a race to the bottom in such a mature and established market. Instead, it will be the result of richer, more profitable relationships with existing customers. The accepted wisdom used to be that operators should leave well enough alone. Today’s wisdom calls for deeper customer engagement by putting CVM fully into practice.

Better customer sentiment correlates with better Telecom Health Index scores



Markets with high customer sentiment scores outperform in the Index:

- Most notably in technology deployment (12 pp better) and financial performance (9 pp better)
 - Also have high mobile and fixed broadband ARPU as a percentage of household income
 - Sweden's ARPU (2nd in the Index) is 1.5 percent of household income.
 - Switzerland's ARPU (3rd in the Index) is 1.8 percent.
 - Index average is 1.3 percent.
- Customers like low prices, but network quality also drives their value perception and satisfaction.

Action path #4

Trim fat with advanced cost reduction

The next generation of cost reduction is about reasserting relevance within a digital ecosystem. For European telecom operators to succeed, they will need to rewire their cost base with the same ambition they once used to build their networks. Those that don't will be left behind. As one executive we talked with put it, "Why do we still need 10,000 people to sell SIM cards in 2025?"

How operators respond will define the next decade's winners. Today, European telecom operators are caught in a paradox: record-high capital intensity paired with stagnant revenue growth and shrinking margins. Operators are under mounting pressure from investors, regulators, and consumers, but the cost base remains stubbornly bloated and structurally misaligned with the sector's future.

Traditional cost-out programs have run their course. CFOs have squeezed SG&A, frozen headcount, and renegotiated contracts. Yet, cost performance has plateaued because operators still have cost structures designed for national monopolies (or comfortable oligopolies), not for agile, platform-centric, software-enabled businesses.

Capex is the new opex

More than half of operators' capital expenditures are now spent maintaining legacy infrastructure and outdated processes. Keeping the old networks and IT systems running has taken precedence over building for growth. If this continues, they will spend their future servicing the inefficiencies of the past and avoiding the big investment decisions needed to support the next generation of networks, which are crucial to the sector's health and the wider European economy.

This inefficiency is not just an economic issue. It undermines innovation, slows time-to-market, and allows the inherent weaknesses of legacy networks—speed constraints, higher fault rates, higher operating costs, and longer provisioning cycles—to persist. The upside of addressing it is enormous: streamlined, intelligent cost structures are directly linked to EBITDA uplift, investor confidence, and long-term viability.

Make decisions that actually cut costs, not deliver platitudes

Cost programs based on “more automation” or “more AI” will fail. True leaders are making explicit structural decisions that remove legacy complexity.

Leaders address priorities that include the following aspects:



Brands. Collapse sub-scale or overlapping brands, align propositions, and retire the long tail of legacy tariffs.



Channels. Exit low-yield, third-party distributors, shrink physical retail footprints, and focus remaining stores on service and customer engagement.



Products. Kill seldom-sold options, bundles, and add-ons that create outsized IT and service overhead.



IT and network. Decommission duplicate BSS/OSS, switch off copper where regulation allows, and retire parallel B2B platforms, rather than run them indefinitely.



Processes. Jettison handoffs and approvals that exist to support yesterday’s exceptions.

The next generation goes beyond cuts to redesign how costs are structured, governed, and evolved.

We see four strategic approaches emerging in leading operators:

1. Full-stack automation

This is not just robotic process automation with better branding. Full-stack automation means reimagining how entire processes run and eliminating human involvement where it’s no longer necessary. AI copilots can handle complex, exception-based work in finance, HR, and operations. NLP-powered service bots can resolve most customer inquiries in seconds, not minutes. On the network side, AI-based digital twins simulate the behavior of physical assets, flagging anomalies before customers notice them. The impact is massive: fewer tickets, faster resolutions, and lower cost per incident.

Our clients have reduced human-led tickets by 40 to 50 percent in two years using digital-twin implementation. According to our benchmarking database, leading operators already have 25 to 40 percent E2E automation across all tickets. One European operator redesigned its field technician scheduling using machine learning, which reduced truck rolls by more than 25 percent. Another applied anomaly detection in billing and cut complaint volume by double digits. In the UK, [BT plans to reduce its workforce by 55,000](#) by the end of the decade, with up to 11,000 of those coming from adoption of AI.⁷

Non-negotiables. Transactional customer service needs to move to 100 percent self-serve by default; product simplification precedes automation so the bot does not inherit legacy complexity.

What-if scenario. Eliminate physical sales for mass-market segments once digital agents match store-agent conversion. The cost advantage is measured in hundreds of millions per year in many markets.

2. Platformization of internal capabilities

This is a quiet revolution. Most telecom operators are still running core functions such as IT, finance, and procurement as siloed departments with static mandates. Next-generation operators treat them as modular, reusable, and API-enabled internal platforms delivered as internal SaaS services. The finance team doesn't just prepare forecasts; it offers dynamic scenario planning tools to all business units. Procurement doesn't just run tenders; it curates partner ecosystems that business owners can tap into with one click.

The big advantage is scalability. Operators don't need to build a full stack for each unit or market. They build once, and the operating units consume. One global operator that adopted a platform model for internal functions achieved 20 to 30 percent faster HR processing and 30 to 40 percent lower HR service costs through consolidation, self-service, and workflow automation. Finance cycles saw nearly 30 percent efficiency gains and 40 percent faster period close after platformizing.

This model also unlocks agility. By treating shared services like platforms, operators can evolve them iteratively and continuously, not just through costly major upgrades and transformations every five to 10 years.

3. True cloudification

Going beyond the migration of workloads to AWS or Azure, the real value of cloud lies in building applications that scale up and down with usage, split into microservices, and decoupling storage, processing, and logic. Without these things, operators are simply moving cost from one line item to another, from data center capex to monthly cloud opex.

True cloudification allows them to shift from fixed to variable cost structures, reduce time-to-deploy from months to days, and embed cost observability into every service. It also creates resilience. The system can move workloads across zones, absorb traffic spikes, and deploy new services without changing the stack.

Yet adoption remains patchy. Many operators still run key applications on monoliths hidden inside virtual machines. Tackling the challenge head-on, one leading operator we have worked with retired 80 percent of its legacy systems over three years by launching a cloud-native BSS stack, reducing both run cost and change request lead times.

4. Smart capex governance

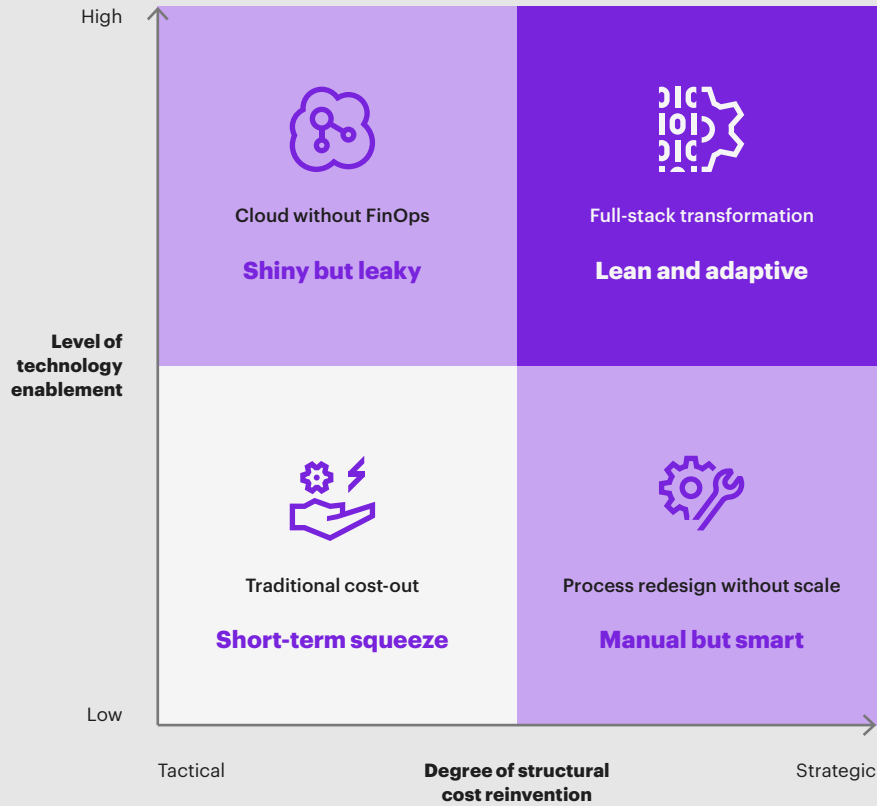
The traditional capex cycle is as much a legacy of the past as the copper and physical asset-based network infrastructures it was designed to manage. Annual budget cycles, project wish lists, and political prioritization are no longer suited to the more iterative investment approach of modern fiber and software-based networks. The next generation approach uses real-time data, predictive analytics, and dynamic ROI models to reallocate investment continuously. AI-driven program management offices can track performance at the initiative level and signal where to double down or pull back—not once a year, but at least every quarter (theoretically, every second).

In this model, capex is treated like an investment portfolio that is constantly rebalanced, not a hopper that periodically releases cash to the winners among competing projects. This is akin to how leading private equity funds manage capital deployment based on returns, not legacy or sunk cost. One major operator participating in our competitive benchmarking work implemented real-time tracking of site-level rollout ROI and shifted part of its capex mid-year from rural upgrades to urban densification, delivering an ARPU uplift of 5 to 10 percent.

In parallel, this approach builds strategic discipline, ensuring that every euro of investment is justified and delivers measurable business value.

These four strategic approaches are not mutually exclusive; they reinforce one another. Automation reduces the need for human workflows. Platformization ensures reuse. Cloudification adds flexibility. Smart capex makes the whole thing dynamic. Together, they create a cost structure that's lean, adaptive, and resilient. Figure 8 on page 35 shows how technology enablement approaches come together with structural cost reinvention and the range of possibilities they present.

Figure 8
Four archetypes of next-gen cost reduction



Source: Kearney analysis

Decide what’s premium versus lean

Cost efficiency must not undermine the value proposition. Operators’ conscious choices are important. Keep agent-based service and white-glove journeys where the price point and brand promise justify them. Everywhere else, push for automated, low-touch, low-cost models. Define these boundaries explicitly, publish them internally, and fund accordingly.

Here are two viable paths for brands and channels. Choose one, and don’t drift.

Selective adoption path. Main brands cannot fully replicate digital-only cost models, so adopt sub-brand best practices where they fit and retain higher-touch elements where the premium is justified.

Full migration path. Over time, migrate all customers onto the lean sub-brand-like infrastructure while keeping the master brand. This captures growth where it is actually happening and removes legacy complexity from IT, sales, and service.

Either path can work. Indecision cannot.

A new mindset, not just new tools

Most operators do not lack technology or ideas; they lack organizational courage. To unlock the next wave of cost reduction, fuel that courage with five shifts:

Kill the old playbook. FTE benchmarks and zero-based budgeting have diminishing returns. Instead, start with a blank slate and ask: “What cost structure would a start-up choose today to serve its footprint and customers?” Use that.

Reskill for tech-powered cost. Operational teams must become product managers. This means understanding AI, automation, and agile—not just process maps and standard operating procedures.

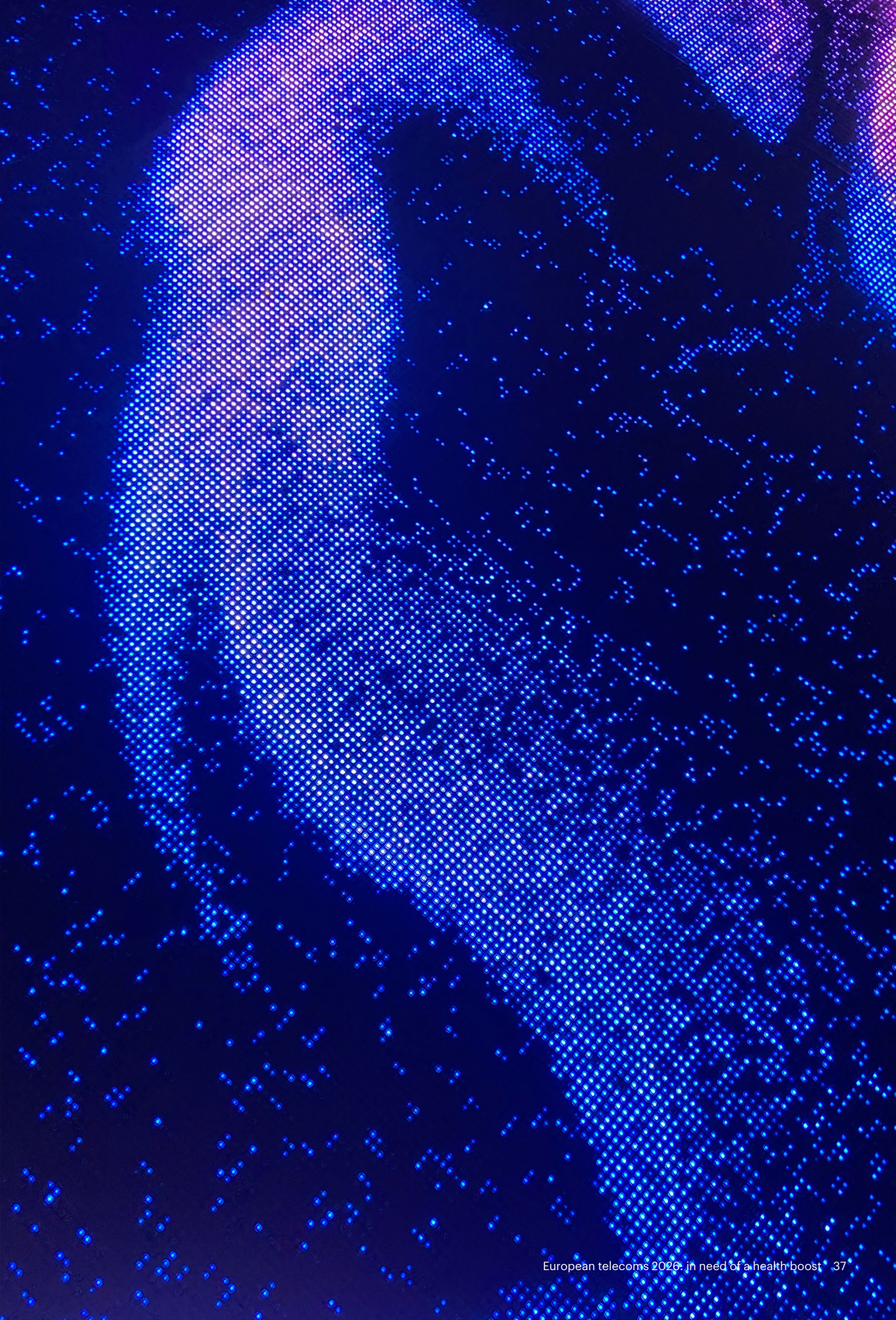
Break the silos. Cost transformation must be led jointly by finance, technology, operations, and commercial. Siloed initiatives only optimize locally and often shift cost, rather than remove it.

Partner with purpose. Hyperscalers, automation providers, and even tower companies can become critical allies—if the operator has the orchestration capability to manage them.

Adopt a cost-design mindset. Costs are a design choice, not an outcome. Reimagining customer journeys, tech stacks, and org models with cost-efficiency baked in from the start is the only sustainable path forward.

Almost every established European operator will have gone through at least one cost transformation exercise in the past 10 years. Their goal has usually been to squeeze out some opex savings, either in headcount or third-party costs, without addressing what they do or how they do it. Some have seen the light and established digital-only sub-brands, such as O2 with GiffGaff in the UK or Orange with Sosh in France, but these have remained interesting side projects at best. Even these operators rarely follow through and apply the learnings (and savings) to their main operations. The long-term financial and competitive health of many European operators now depends on their taking a much more radical approach—reimagining what is possible and not allowing old ways of working to constrain them.

The long-term health of many telecom operators now depends on their taking a much more radical approach.



Action path #5

Strengthen Europe's digital backbone with network resilience

In Europe and beyond, telecom networks are the invisible critical infrastructure powering our daily lives—from commerce to healthcare, emergency response to education. This has been the case for a long time and certainly since the advent of mobile networks, but 2025 seems like a turning point. Unprecedented geopolitical tensions now pressure Europe to reshape global relationships and increasing climate change-related incidents, such as Spain's historic floods, are ravaging communities and the systems they rely on.

At the same time, telecom networks are becoming more complex and deeply embedded into daily life. We depend on them for payments, access to government services, and daily communication, even as they become more vulnerable. High-profile failures have demonstrated the outsized impact on the operator, customers, society, and the economy. We know now and going forward that the health of the telecom sector is inextricably tied to the resilience of its networks and the services they underpin.

Network resilience requires urgent attention. Here are three reasons why:

1. The Internet is a critical infrastructure. Every sector of the economy needs connectivity to run operational systems for their business and services. A few hours of downtime can paralyze entire nations, and increasingly, lives are at stake: emergency services, hospitals, banking, and public safety all depend on continuous, secure connectivity.

2. Automation and digitalization raise the stakes. As networks become more software-driven and cloudified, points of failure multiply. AI-led operations, virtualized network functions, and real-time orchestration offer not only efficiency but also complexity that outpaces traditional safeguards.

3. Operators face capital and talent constraints. With pressure to do more with less, many telecom operators are running leaner. In practice, this can mean cutting corners on development and testing, skipping redundancy investments, or struggling to find the right digital talent that can secure and operate network infrastructure to evermore demanding levels. Across Europe, operators are dealing with aging workforces and limited inflows of ICT professionals, competing with big tech companies for the best talent and skills that they need.

Resilience is no longer a purely technical concern. It is a precondition for business continuity and national security. Yet, most network operators are exposed to a range of operational risks, some of which they are not even aware of due to the interconnected supply chain of partner companies required to operate modern networks.

This new environment prompted us to conduct a study on network resilience for the board of an international operator. It involved interviews with network executives around the world. From this research, we drew six lessons on how network resilience should be seen differently (see figure 9 on page 39).

Figure 9
Six lessons from Kearney’s Global Network Resilience Study

		Key lessons	Implications for telcos
1		Automation and software-ization introduce new types of vulnerabilities, immune to redundancy-based resilience.	Need for: — Separation between control, management, and service planes — Zero trust of third parties peering and interoperating with the network
2		Not all outages can be prevented.	Focus on restoration: — Embrace new automation technologies rather than more levels of redundancy. — Ensure disaster recovery plan includes possible total loss of core network. — Ensure your capability to manage the network restoration is out-of-band and can survive the outage.
3		Agile at scale is not fully suited for five 9s resilience.	— Implement disciplined agile by capitalizing on the flexibility of missions within clearly understood guardrails.
4		Resilience needs to be sustainable.	— Uplift DevSecOps to align across architecture design, change management, release management, and problem management.
5		AI ops is the most transformational way to speed up restoration.	— AI ops-enabled restoration is worth more than adding more and more levels of redundancy. Focus on most mature use cases, such as prevention and detection.
6		Effective communication is as important to reputation as effective operation.	— Set clear communication service-level agreements for large-scale incidents. — Create a crisis team to deal with major incident communications.

Source: Kearney analysis

A wake-up call for developed markets

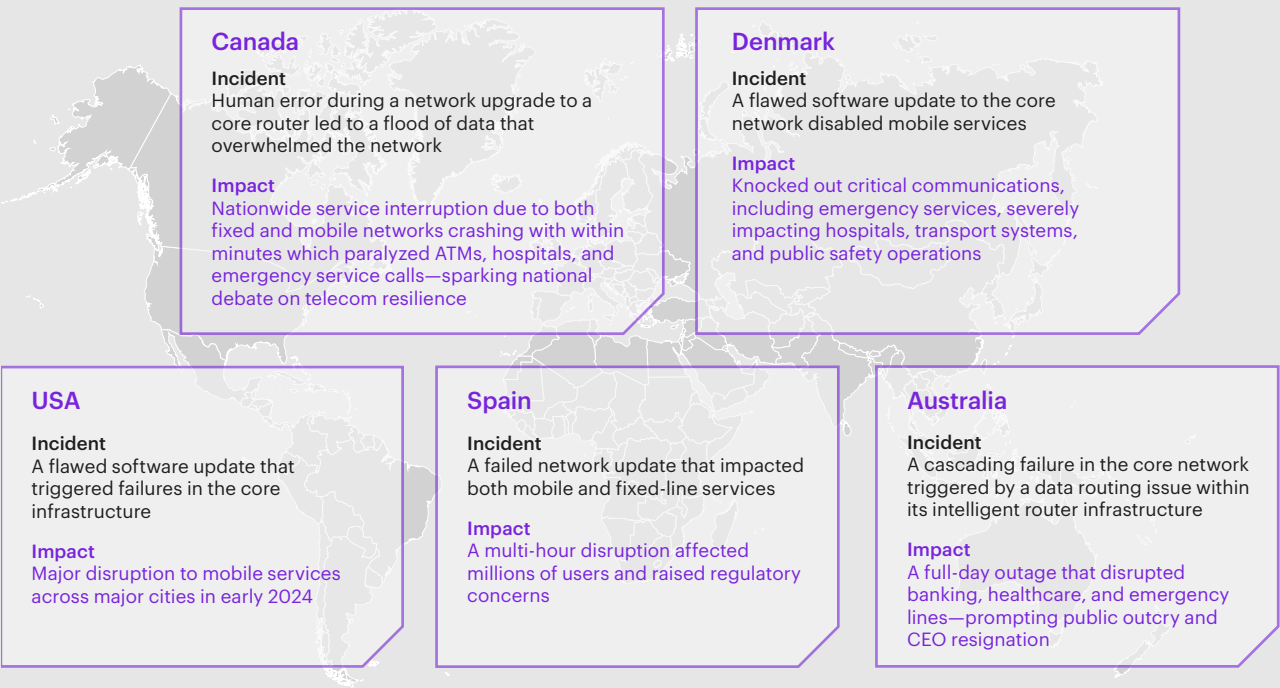
We often associate service unreliability with fragile economies or legacy systems. But, paradoxically, if you expect a network to fail, businesses and consumers can plan accordingly, investing in backup infrastructure or avoiding complete reliance on the network in the first place. But in the past two years, major outages have occurred in some of the world’s most advanced markets where network resilience has been taken for granted. Emergency services, daily commerce, and millions of customers were affected (see figure 10 on page 40).

These were not fringe operators or failing systems. In all cases, they were mature operators using modern architectures in high-income markets. And yet, they failed due to the overall complexity, cost pressures, and organizational blind spots often caused by factors, such as faulty code, found outside their immediate organization and control.

Outages and incidents stem not just from hardware failure, or even at all, but from systemic weaknesses in governance, operational processes, and human oversight. Poor configuration management, especially in dynamic, software-defined environments, remains a leading cause, with small errors cascading into widespread disruptions. Governance gaps, including unclear accountability for service continuity or inadequate risk assessment protocols, can prolong response times and amplify the impact. Process deficiencies, such as fragmented incident management and lack of integrated root-cause analysis, hinder timely fault isolation and recovery. And then there are the human factors, ranging from insufficient training to incomplete understanding of how complex network functions and systems interact, that exacerbate vulnerabilities.

As networks grow more complex and interdependent, resilience increasingly depends on aligning technical robustness with disciplined operational governance and empowered, well-supported personnel who follow well-understood processes and procedures.

Figure 10
Examples of telecom outages



Source: Kearney analysis

The resilience mindset shift: from technical to strategic and operational

Most network operators make the mistake and take a risk when they regard network resilience as a technical issue. A key takeaway from our global survey and work with operators on this topic is that it's time to reframe resilience as a strategic and operational issue because it's much more than an engineering challenge.

This means several shifts in approach and new ways of working:

- Elevate accountability and manage governance.** CTOs cannot be solely accountable for resilience. Boards, CEOs, and CFOs need to understand the risks and commit capital and oversight.
- Incorporate resilience from the start.** Network transformations—whether cloudification, AI ops, or virtualization—must embed redundancy and recovery by design, not as afterthoughts.

- Implement rigorous change and configuration management processes.** Use automated tools and standardized workflows to track network changes, validate configurations, and prevent cascading failures from human error or misaligned updates.
- Test systems like critical infrastructure.** Many operators still rely on outdated playbooks for disaster recovery. Best-in-class players adopt real-time stress testing, diversified routing, dual-mode failover (including satellite), and sovereign capabilities.
- Invest in cross-functional training and simulation exercises.** Regularly upskill staff on fault diagnosis, emergency protocols, and inter-team coordination through realistic outage simulations and scenario planning.

The National Telecom Resilience Center at the University of Technology Sydney is a good example of proactive infrastructure planning. Set up in response to an outage suffered by one of Australia's leading operators, the center enables operators to simulate network failures and verify that emergency calls still connect across devices and networks. It also runs coordinated cross-network testing twice a year and contributes to standards development, helping ensure critical services remain operational even during major disruptions. It's a practical model for how collaboration among industry, academia, and government can drive meaningful resilience improvements.

Steps to reinforce networks and sector health

The value at stake is substantial. The direct cost of any network outage is high in terms of the people, time, and resources, including specialist advisors, needed to manage and remedy it and restore services. Then there's the compounded costs of damages, SLA penalties, and possible regulatory fines. Altogether, direct costs can reach 1 to 2 percent of revenue. The indirect cost of higher customer churn, lost revenue, and impact on staff morale is undoubtedly higher and the longer-term impact on brand value, share price, and corporate reputation are even more material. Three major outage cases we analyzed led to drops in the operators' share prices of between 2 and 5 percent.

We have worked closely with operators on network resilience and have developed a standard methodology to help them assess and strengthen their approach to it.

We recommend three components:

A resilience posture assessment. This initial step helps surface the current state of resilience across five dimensions: governance structures and decision rights; network design and architecture principles (including redundancy and failover capabilities); operational processes and ways of working; AI operations and automation maturity; and overall organizational setup and competencies. By analyzing and mapping these elements, operators gain a clearer view of where resilience is embedded, and where it's exposed.

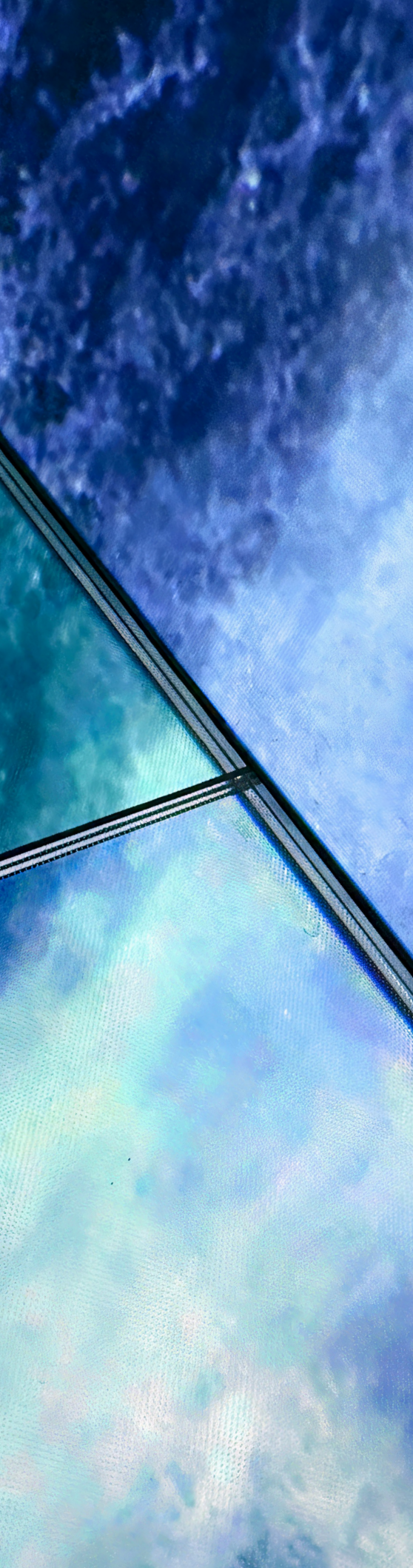
Benchmarking and ambition setting. This deeper diagnostic allows operators to compare their posture against peers and leading practices while also defining the minimum requirement levels of resilience they aspire to achieve. This phase helps quantify the value at risk, including potential customer impact, reputational damage, and regulatory exposure, from which further investment can be prioritized.

Resilience levers. This set of practical initiatives spans technology, process, and culture. They include improvements to incident response protocols, enhanced cross-functional coordination, and embedding resilience in network design and life-cycle planning.

Taken together, these components give operators a structured way to move from reactive recovery to proactive resilience, helping them align technical robustness with operational discipline and strategic intent.

As Europe becomes increasingly digitalized, telecommunications networks have evolved from infrastructure assets into economic lifelines. While most operators now achieve impressive "five 9s" availability, this statistical success masks a stark reality: When outages do occur, the consequences affect entire economies and disrupt millions of lives—and most operators are not prepared to execute a rapid recovery. Growing scrutiny from regulators, governments, and shareholders reflects the need for a new paradigm. Network resilience is no longer a technical consideration but a key component of the telecom sector health and, thus, a societal imperative.

The path forward is clear. Operators that invest in comprehensive resilience strategies will not only protect their own reputation and financial performance but strengthen the foundation upon which the health of Europe's digital economy depends. In a hyperconnected world, network resilience is ultimately about preserving the trust of customers, investors, and society itself. Operators that recognize and act on this responsibility today will improve the health of telecommunications sector and secure its role in Europe's digital future.



Europe's 5G upgrade for rail presents digital infrastructure opportunity

Europe's railways are on track to a once-in-a-generation telecom upgrade that merges two worlds rarely discussed together: state-backed rail infrastructure and modern digital networks. The mandatory migration from GSM-R (a 2G-era system used for train operations) to the new Future Railway Mobile Communication System (FRMCS) represents a continent-wide shift to a 5G-based standard designed for mission-critical communications and digital train control. FRMCS will become the foundation for Europe's digital railway agenda.

GSM-R networks, many built around 2005, are nearing obsolescence. To comply with EU regulations, every national rail infrastructure manager must deploy FRMCS before 2035. Our early cost modeling suggests total track-side funding needed across EU countries is roughly €25 billion for improvements, including base station replacement, core network upgrades, and passive infrastructure builds (such as trackside towers and fiber). The true amount will depend on the national network architectures and delivery models for FRMCS, i.e. stand-alone vs. hybrid models using commercial networks.

The FRMCS build ambitions across Europe mostly follow one of three archetypes:

- **Sovereign self-build with constraints.** This archetype is nationally funded dedicated track-side infrastructure for FRMCS, as envisioned in Germany. The approach may be complemented with FRMCS on public networks for cost efficiency, if ongoing R&D projects prove successful.
- **Hybrid multi-carrier approach.** This archetype is dedicated FRMCS networks on a few main lines plus roaming for about 80 percent of tracks, as communicated regarding France.
- **Outsourcing and public network approach.** In Eastern Europe, governments signaled openness toward outsourcing approaches on the back of existing public networks to reduce required FRMCS investments.

What makes the FRMCS upgrade remarkable is its convergence with public connectivity goals. Passengers are demanding more seamless mobile coverage to stream, work, and game while traveling, pushing governments to seek synergies between rail-critical 5G networks (FRMCS) and the broader “gigabit for all” objective of the EU’s Digital Decade policy. The idea is simple: if towers, fiber, and 5G base stations are built along tracks, why not design them to serve both operational FRMCS traffic and commercial mobile broadband? This logic now drives pilots and policy thinking in key markets such as Germany, France, and Italy.

This dual-purpose model is piloted and studied on Germany’s Gigabit Innovation Track Extended (GINT-XT) and is receiving increasing government and regulator support, encouraged by the national regulator. Telecom operators are required to cooperate with rail infrastructure companies in building networks along railway lines. At the same time, the federal government’s new agenda for rail positions 5G-at-the-track as part of the digitalization push, linking the FRMCS rollout with improved connectivity along priority corridors. Once this translates into binding policies, it will invite private equity-backed tower companies and neutral-host providers, among others, to co-invest with the national rail infrastructure entity, uniting public funding and private capital.

For private equity and infrastructure funds, the FRMCS concept offers a unique investment profile: long-lived, big-ticket assets backed by national railway, state, and EU co-funding; rising data demand; technological upgrade cycles; and multi-tenant monetization potential. Governments and railway infrastructure managers across Europe started partnerships with TowerCos and neutral-host providers to accelerate deployment and share costs. Pilot projects, such as Germany’s GINT-XT illustrate how active-passive sharing models can simultaneously serve operational rail traffic and passenger broadband, while infrastructure investors monetize both functions. This hybridization turns what was once a closed railway utility into a digital infrastructure opportunity.

In fact, a number of private equity and pension funds, including Global Infrastructure Partners, KKR, DigitalBridge, Brookfield, and CPP Investments, have companies in their portfolios with initial experiences in this area that can be expanded as soon as shared ownership and long-term service contracts are established. Their portfolio companies, such as Vantage Towers, Cellnex, Boldyn Networks, Freshwave, and Neos Networks, among others, specialize in digital infrastructure-as-a-service and stand ready to include FRMCS and rail 5G as a growing segment of Europe’s digital network evolution.

Three steps can unlock large-scale private investments into this opportunity:

- **Clear government policy.** Governments set clear goals (for things such as fast rollout, cost efficiency, and resilience) and create co-funding mechanisms that allow third-party participation in railway telecom assets.
- **Multi-use networks.** Rail infrastructure companies adopt hybrid models that allow service providers to offer temporary coverage during migration or complementary coverage as backup or for offloading of non-critical communication. Vice versa, government to grant the rail infrastructure companies the option to open their telecom assets for commercial use, i.e., improved passenger connectivity.
- **Enhanced customer experience.** Railway operators start positioning passenger connectivity as a value-added service to make spark interest among business and private travelers. This won’t recoup the cost (akin to in-flight or cruise-ship Wi-Fi), but it increases competition among service providers.

When these steps are taken, FRMCS becomes Europe’s next cross-sector digital infrastructure play, combining the stability of regulated rail with the economics of digital networks. (Without these steps, it’s a compliance exercise.) For private equity, this convergence promises long-term cash flows based in public funding for railway infrastructure operations, plus upside from revenue sources, including wholesale access by public service providers.

In essence, Europe’s €25 billion FRMCS infrastructure upgrade isn’t simply a rail project but the next growth frontier for digital infrastructure investors.

Action path #6

Plan for satellite communications that's a vaccine, not a virus

Satellite connectivity has long played a role in telecom network architecture, but the advent and rapid growth of LEO constellations has accelerated its impact and could markedly improve the sector's health in Europe, including the continent's communications sovereignty. Starlink takes the lion's share of headlines about this technology, but constellations from other companies, including Eutelsat OneWeb, Amazon's Project Kuiper, AST SpaceMobile, and Lynk Global, have followed or are in the late planning stages.

The services they provide—namely broadband connectivity, mobile, and nomadic communications—are not new. Many GEO (geosynchronous equatorial orbit) companies, including SES, Eutelsat, and EchoStar, or early LEO players such as Iridium, Inmarsat, and Globalstar have provided these services since the first network communications satellite Telstar 1 was launched more than 60 years ago. However, the backhaul capacity these services provide and the way they are increasingly being integrated into or substituting for terrestrial mobile and broadband communications is a pivotal event, not only for the satellite sector, but also for today's telecommunications sector. We're entering a new era of satellite-based communications services thanks to several factors: rapidly declining launch cost, primarily due to the economics of Space X; the industrial-scale production of satellites and terminals; and technological advancements in beam forming and photonic communications.

Given the massive investment required, the concentrated launch capacity, and the industrial scale needed, the satellite communications industry will likely follow a course similar to that of the public cloud market, where only a few very large players can afford to compete globally. Smaller players will likely address niches, including certain use cases or geographies, in the communications market.

Likely to play a major role in telecom network resilience are the multi-orbit satellite players, such as SES and Eutelsat. They combine services in GEO, MEO, (medium Earth orbit), and LEO, and their constellations are becoming a network of networks, with direct communication between satellites that eliminates involvement from ground stations in each hop.

Three main impacts of satellite communications

With increased capacity from space changing the telecom sector, operators and regulators will be wise to take a proactive approach, particularly in how these advancements are used to complement existing ground-based networks instead of their becoming a substitute service that undermines the economics of both.

We urge operators to consider three important impacts:

1. Broadband availability will become ubiquitous, from cities to rural and remote areas. Only 64 percent of households in Europe could access fiber-to-the-premises (FTTP) services in 2024, according to the 2025 State of the Digital Decade Report of the European Commission's [State of the Digital Decade 2025 report](#).⁸ To reach the goal of 100 percent access by 2030, the region will require substantial investments. WIK-Consult estimated that in 2023 it would take €114 billion to roll out FTTP, including €40 billion in public funding. Covering the last 10 percent of households is likely to account for 30 to 50 percent of this amount. While the cost could be lower using fixed wireless access (FWA) on mobile networks, satellites clearly have the potential to be part of the solution to complete the rollout.

Blanket satellite coverage would enable the rollout of very high-speed broadband (primarily FTTH) to be focused on areas that are economically viable, while satellite services provide a good (but not quite as fast) service to more rural areas that are too costly to connect with fiber, if this is deemed to be strategically and politically acceptable. For this reason, in 2025, the US government amended the \$42 billion Broadband Equity Access and Deployment Program to make it “tech-neutral” rather than favoring fiber-based infrastructure, thus creating an opportunity for satellite Internet providers.

2. Mobile connectivity will effectively become a universal service obligation, as regulators add obligations to expand land coverage in mobile license awards in Europe. Investments of €33.5 billion will be required to reach full 5G coverage of all populated areas in Europe, which is far below land coverage, [according to the 2023 WIK-Consult study](#).⁹ Today, in many European countries, 4G reaches 90 to 98 percent of the land mass, with 5G well below that—though this is vastly better than in the United States, where the best operator in terms of 4G coverage only covers [58 percent](#) of the land mass.¹⁰

Rolling out towers to cover the last 10 percent in Europe is not only expensive but also not economically viable given the expected traffic on those sites. To lower the cost, operators may choose to build satellite-based backhaul to connect the more remote sites where fiber or microwave-based backhaul is either too expensive or not possible due to geographic constraints. While satellite's economics are fast-improving, the cost for LEO backhaul is still many times higher than traditional microwave solutions for a typical site (\$54 to \$78 per Mbps monthly versus \$3.30 to \$8.10 for microwave and \$1.80 to \$2.40 for fiber-to-the-tower) and so will only be suitable for the hardest-to-reach sites.¹¹

For the remaining land mass, direct-to-device (D2D) connectivity could become the technology of choice to close the gap. While Apple is already cooperating with Globalstar to provide global messaging from the newest iPhones, operators such as T-Mobile US have pioneered D2D via Starlink using a portion of their LTE spectrum (1900 Mhz) to achieve coverage across the United States. Other players, including AST Mobile and Lynk Global, are launching LEO constellations specifically for this purpose. Starlink is even pushing to have MNO-independent mobile network coverage with the recent acquisition of US spectrum from Echostar and the filing of an application with the FCC to launch a new constellation of 15,000 LEO and very low Earth orbit (VLEO) satellites.

3. Broadband connectivity will extend beyond land to the air and sea. Connected business and commercial aircraft are [projected to surge from 16,000 to 40,000](#) by 2030—a transformation mirrored across cruise ships, superyachts, offshore platforms, and the hundreds of thousands of merchant vessels and recreational craft plying global waters.¹² This expansion is driven by a fundamental shift in expectations: passengers and crew now demand the same seamless digital experience at 35,000 feet or in the mid-Atlantic that they enjoy on land. There are also military and government vehicles, drones, and sites in need of reliable, secure, global communication. Satellites will be indispensable for delivering such service in these instances.

Partnering with satellite network providers will allow telecom operators to obtain a share of this market and take the lead in delivering seamless service to their customers. This is already happening. In the United States, T-Mobile offers an integrated product that bundles in-flight and terrestrial mobile, and in 2025, the company introduced its T-Satellite service using Starlink to fill dead zones with a D2D service.

A portfolio of use cases

We see six primary use cases for LEO satellite (see figure 11). With the right strategy, commercial models, and analytics, it has the potential to improve the European telecom sector’s health financially (EBITDA margin and ROCE), in technology deployment (coverage of high-bandwidth data services), and through improved customer sentiment.

Risks for the sector and how Europe can overcome them

Just as there are upsides, developments in satellite-based communications pose material downside risks for Europe and its operators. Many of the LEO constellations and D2D services that we’ve already discussed have been deployed by non-European companies, giving them an early lead.

Consequently, the first risk is dependence on non-European infrastructure. Not only does it lead to value leakage, but it could jeopardize Europe’s sovereignty in terms of network resilience and security. Relying on non-European constellations could weaken Europe’s control of critical telecommunication infrastructure once its terrestrial networks are intertwined with these constellations. Filling some gaps for commercial purposes might be acceptable, but it would not be for government or military needs, including Europe’s goal to strengthen its independent defense capabilities. Fortunately, it hosts global satellite operators such as SES and Eutelsat; regional players such as Hispasat; leading satellite manufacturers such as Airbus, Thales, and OHB; launch providers such as Ariane Aerospace; and some promising start-ups—all with resources that can be used to maintain sovereignty and fuel growth in the European sector.

Figure 11
Satellite network use cases

	Use case	Description
Access 	1 Direct-to-device for voice calls and SMS	Devices enable voice calls/SMS via satellite networks without relying on terrestrial infrastructure
	2 Direct-to-device for Internet coverage	Devices enable Internet connection via satellite networks without relying on terrestrial infrastructure, especially in remote areas
	3 Substitute for FWA at home	A terminal attached to home roof (e.g., Starlink) receives a signal from low-Earth orbit satellites, and the in-built WiFi router connects to home devices.
Backhaul 	4 IoT backhauling and sensor to satellite	Satellites can be used to transmit data between devices without relying on terrestrial infrastructure.
	5 WiFi hot-spots with satellite backhaul	Small communities or villages could use satellite-connected hardware (e.g., Starlink) as shared routers.
	6 Satellite as backhaul for towers	Satellites could replace fiber optic or microwave links as backhaul due to rapid deployment and resilience during emergencies. (However, typical download and upload speeds are limited to 300Mbps and 20Mbps, respectively.)

Source: Kearney analysis

The sector is already moving in this direction. The EU's pending launch of IRIS¹³, a secure multi-orbit constellation, is a significant move by the European Commission to achieve independent satellite communications. This €10 billion program is a public-private partnership with European satellite players that involves €6 billion of contract volume by the EU and its member states. While IRIS¹³ will not rival mega-constellations in scale, its aim is to provide a sovereign backbone for Europe's global government and military communications as well as European enterprises. On another front, SES is expanding its multi-orbit portfolio by adding direct-to-device (D2D) capabilities through a strategic investment and partnership with Lynk Global, including collaboration on satellite manufacturing in Europe—thereby aligning with its broader objective of enhancing resilience and European connectivity sovereignty by providing “cell tower in space” to mobile operators. Now, it is up to operators to begin planning to incorporate these advancements into their networks. For now, it seems Europe is heading closer to achieving telecom sovereignty than it is in cloud computing.

The second risk is loss of control over the customer relationship. While consumers can currently only choose from the operators in their region, satellite communication services will expand their options. For each household not connected to the network of a domestic fixed-line operator and for each mobile call not routed over the mobile network, operators lose margin, and their asset utilization reduces. This drains value and financial health from the market. The damage is limited if a network connection isn't possible, or lack of network coverage means a call will not happen. However, it is already clear that satellite networks will not limit their operations to areas left uncovered by operators. Kearney's customer survey shows that 50 percent of consumers are interested in adopting satellite connectivity. Surprisingly, the number is lower in rural areas, likely due to lower awareness, but this is expected to change fast.

However, despite the technological advances in satellite communications, even the mega-constellations will not have enough capacity—both in satellites and frequencies—to replace high-speed broadband connections in urban and suburban areas at scale. Further, direct-to-device satellite networks are optimized to provide outdoor coverage, not indoor connectivity. Around 80 percent of all calls and 80 percent of all mobile data traffic is consumed indoors. Even though most smart-phone and tablet indoor traffic is offloaded to WIFI, the relationship between indoor and outdoor traffic carried on mobile networks is still between 1:1 and 2:1, making D2D communications in Europe a complementary service rather than a replacement.

Healthy choices make satellites good for the telecom sector

Satellite communications will fundamentally change the telecommunications landscape, finally making the utopia of ubiquitous connectivity a reality. Even though the biggest investments in satellite communications are outside of Europe, the region is trying to capture share and retain sovereignty and independence. Europe's well-developed infrastructure, relatively low ARPUs, and high population density mean satellite communications will primarily fill gaps and save cost.

However, satellite communications will continue to change as innovations unfold—from quantum secure communications, Earth observation, and military intelligence, to data centers, AI gigafactories, and power generation in space. To preserve and improve their health, European telecom operators will have to take a proactive, scenario-based approach to satellite-based services, anchored in value-accretive use cases, and partner with and support the European space sector as it evolves.

Telecom operators will have to take a proactive, scenario-based approach to satellite-based services.

Action path #7

Use private equity investments to boost digital infrastructure growth

Digital infrastructure underpins much of modern commerce, innovation, and communications. The health and growth of the economy depends on that foundation, including data centers, fiber and mobile networks, cloud platforms, and the sophisticated ecosystem of services that enable everything from streaming and AI to remote working. Telecom networks ensure that digital services are seamlessly accessible wherever a user may be.

The EU's [Digital Decade](#) policy aims to hit a number of goals by 2030: a gigabit of connectivity for everyone in Europe, 5G coverage in all populated areas, double Europe's share of global production of cutting-edge semiconductors, and deployment of 10,000 climate-neutral highly secure edge nodes.¹³ They show that digital infrastructure isn't a niche concern—it's central to Europe's future prosperity.

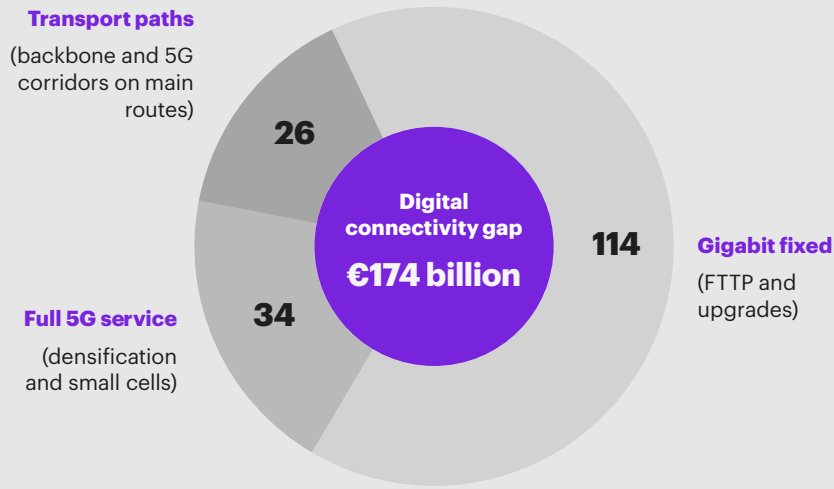
Demand for connectivity and data storage is exploding. Internet traffic in Europe jumped nearly ninefold from 2014 to 2022 and continues to grow 20 to 25 percent annually. The advent of AI is a game changer, with its adoption set to almost triple the need for [data-center capacity by 2030](#) as companies require more cloud and advanced-compute power.¹⁴ [Goldman Sachs forecasts](#) a 165 percent increase in data-center power demand by then due to AI uptake. Fulfilling this need requires a coherent approach across data centers, fiber, and mobile—not just more money, but smarter market structures and policies that encourage investment and facilitate build-out and access.¹⁵

The biggest obstacle to meeting these needs is the financing gap. The EU Commission's own analysis is that at least [€174 billion](#) in additional investment is required to hit Europe's 2030 connectivity targets (for gigabit and 5G), or 45 million Europeans could remain without adequate networks by 2030 (see figure 12 on page 49).¹⁶ This gap matters not only for telecom operators but also for every industry or business that relies on digital networks to operate and reach European consumers. Europe will also need to align governance, market structure, and operating models so that investment flows translate into sustainable competition, fair returns for operators, and clear benefits for consumers.

The health of Europe's telecom sector—measured by its capacity to deliver quality Internet, cloud services, and digital innovation—will be determined by solving this funding shortfall. But unlocking capital at the scale required also depends on regulatory stability and predictable returns, especially for long-lived infrastructure with utility-like economics.

Figure 12
Connectivity funding gap

EU digital connectivity
funding gap to 2030



Sources: European Commission;
Kearney analysis

The financing challenge

Europe’s telecom operators—long the builders of digital networks—are financially stretched and openly acknowledge their limits. The sector’s own association, European Telecommunications Network Operators (ETNO) admits the sector is “[too weak to face this investment on its own](#)” given modest returns and heavy debt loads.¹⁷ Many operators have already taken steps to increase the utilization of their network assets and thus contribute to the cost of building them.

Bringing in other investors and sharing network ownership is the next logical step. This can take the form of carving out separate wholesale “NetCos” and retail “ServeCos” so that multiple retail operators can use the same network infrastructure while also creating the opportunity for more specialist investors, such as infrastructure-focused private equity (PE) funds, to invest in assets that would otherwise not be attractive. For example, [Telecom Italia](#) became the first major EU operator to sell its entire fixed network to a PE firm (KKR) for some €19 billion in 2023, a deal backed by Italy’s government.¹⁸ This last-resort move underscores how incumbents simply cannot fund the digital infrastructure upgrade at the scale required and highlights how important private equity is to this undertaking. The emergence of neutral host network and infrastructure providers, such as Boldyn Networks (majority-owned by Canadian Pension Plan Investments), in several European markets, is another step in layering and optimizing asset utilization that is attracting investment attention.

Now we come to two important questions: Who should own the strategic network over time? And how can Europe be sure that value creation for investors aligns with long-term resilience and service quality?

Government budgets and EU funds, while significant, are not sufficient to plug the gap. The EU has earmarked substantial sums ([more than €200 billion](#) from 2021 to 2027) for digital projects, yet that is spread over many initiatives (skills, e-government, and more), not just infrastructure.¹⁹ Policymakers recognize this reality. Governments are increasingly looking to private capital to bridge infrastructure funding gaps and modernize networks. In parallel, government policy needs to clarify the conditions and factors that will determine market structures—when to promote parallel infrastructure builds and when to favor shared networks with regulated open access—to give investors confidence.

Thus, private equity is emerging as the unlikely hero of digital infrastructure. If Europe is to meet its ambitions in the absence of its own tech companies with global scale, the region’s digital future will be chiefly financed and enabled not by governments or big tech, but by private equity and infrastructure investors that bridge the funding gap. Their involvement spans all three layers: data centers to support cloud and AI, fiber networks to deliver gigabit access, and mobile networks to extend 5G coverage and capacity.

Fortunately, private markets have deep pockets and growing interest in digital infrastructure. Over the past decade, global private infrastructure assets under management quadrupled to a record [\\$1.4 trillion](#).²⁰ In 2024, amid a broader deal slowdown, data center investments bucked the trend with a record \$45 billion allocated—up from just \$22 billion in 2020.²¹ Investors are drawn by stable, utility-like cash flows plus the upside of surging demand for computing power. AI and cloud computing needs have made data centers one of the fastest-growing infrastructure asset classes. Private funds aren't just willing to step in; they're already mobilizing capital at scale to fund investment of digital assets.

To secure a balanced investor base, European policymakers can encourage greater participation from Europe-based pension and sovereign funds alongside global investors. A wave of high-profile transactions in Europe indicates PE and infrastructure funds are already starting to bridge the gap:

Telecom towers. [Deutsche Telekom](#) sold 51 percent of its tower unit (40,000 masts) to Brookfield and DigitalBridge for €10.7 billion in 2022, using the proceeds to reduce debt and invest in 5G.²² The consortium's CEO framed the deal as "building the next-generation digital infrastructure champion of Europe." Similarly, [Vodafone](#) sold a stake in its Vantage Towers subsidiary to investment funds KKR and Global Infrastructure Partners to accelerate network expansion.²³

Fiber networks. Private equity has poured money into fiber rollout, especially in underserved areas. For example, in Italy, KKR bought TIM's network with the aim to complete the creation of a high-speed network covering the country. In the UK, CityFibre (backed by Antin and others) is investing billions to challenge the incumbent with new fiber to homes. Different countries are taking different structural paths: some favor parallel builds in dense areas, while others lean on regulated wholesale access and passive-infrastructure sharing (such as mandated duct access) to avoid costly duplication.

Data centers and cloud infrastructure. [Brookfield's \\$3.8 billion acquisition of Data4](#) (31 data centers across Europe) in 2023 signaled major appetite to invest in Europe's cloud infrastructure.²⁴ Likewise, [KKR](#) has invested in Global Technical Realty to develop data centers in Europe, and Blackstone, DigitalBridge, EQT and others have all made big data center plays.²⁵ These investors are expanding capacity fast, which is crucial as hyperscalers are investing [more than \\$4 billion per quarter](#) in European infrastructure, more than all European cloud providers spend in a year.²⁶ Private capital is thus critical for Europe to host more of its own data and meet demand without solely relying on foreign hyperscalers.

Regulatory moves, such as the EU Data Act, which forces cloud providers to make switching easier and prevents lock-in fees, aim to open the market for new cloud entrants (many likely backed by private investors or consortia). The upcoming AI Act will set standards for AI applications. While it adds compliance requirements, it also implicitly demands more local data processing and AI infrastructure, a space where new specialized data centers (often financed by private capital) can thrive. Moreover, the European Commission's InvestEU program and the new [InvestAI initiative](#) (targeting €200 billion for AI-related infrastructure) are structured as public-private partnerships, explicitly calling on institutional investors to co-invest in digital projects, like the so-called AI-gigafactories.²⁷ All these signals increase certainty for private equity, confirming there is political will to support digital infrastructure (through investment guarantees, streamlined permits, or co-funding). Complementing these, the EU's emphasis on promoting competition where viable and open access where necessary, provides a policy filter through which to decide between parallel builds and shared utilities.

To close the digital funding gap, operators need external co-investors.

Unlocking private equity's full potential

To maximize private equity's role in digital infrastructure, we recommend the following actions:

Form partnerships between European governments, telecom operators, and private equity firms.

Governments and EU bodies should expand initiatives blending public funding with private capital, such as infrastructure bonds or co-investment funds for broadband. Create investment platforms where public funds de-risk early-stage projects while private investors bring major capital and expertise. Where duplication is uneconomic (often rural), co-investment and shared NetCos with regulated open access can accelerate coverage while maintaining retail competition.

Have private equity investors focus on high-opportunity segments. Our analysis identifies prime opportunities in fiber-to-the-home in underserved regions, edge data centers and European cloud capacity, 5G small-cell networks, AI data infrastructure, and rail 5G (see sidebar: Europe's 5G upgrade for rail presents digital infrastructure opportunity on page 36). They align with public priorities (rural connectivity, cloud sovereignty, and AI leadership) where capital shortages are acute. We recommend investors conduct strategic mapping against EU digital targets. Gaps in gigabit coverage signal opportunities for investor-funded fiber rollouts with government support. In competitive markets, emphasize infrastructure competition; where legacy networks dominate, emphasize open-access wholesale builds.

Consolidate fragmented digital infrastructure for efficiency via private equity moves. Pursue buy-and-build strategies: acquire and merge smaller players into unified platforms to achieve scale economies. This is already happening in some sectors, such as tower company consolidation, but should continue across cloud and data centers and regional fiber providers. The result is stronger, more efficient operators delivering lower unit costs and investing more in innovation. Merging regional data centers can create European champions with critical mass to compete and scale to negotiate cheaper power and deploy cutting-edge cooling technology. Such platforms can later transition to long-term owners, matching asset life with investor horizons.

Urge policymakers to create environments where private capital can invest confidently for the long term. This requires regulatory stability (clear long-term rules on wholesale access pricing, spectrum, and data governance) and removing unnecessary red tape. Streamline permitting for fiber deployment and data center construction through fast-track digital infrastructure status. Explore incentive mechanisms such as infrastructure tax credits or public seed funding to catalyze PE interest. Apply EU Digital Act principles: promote infrastructure competition where viable, ensure regulated returns sustaining investment, and prioritize consumer benefit.

The opportunities in digital infrastructure are clear, but it is a fiercely competitive sector, and telecom operators will struggle to invest in it on their own. The capital requirements of deploying fiber and 5G networks are already stretching balance sheets. The PE sector is uniquely positioned to both fund growth and professionalize Europe's digital infrastructure, wringing more value out of each euro invested. That means the investment gap can be closed faster and more efficiently than if incumbent operators or governments acted alone. If a successful multiparty approach can be developed, aligning operators, governments and the private equity sector, Europe still has a very good chance of building a viable and healthy digital infrastructure ecosystem, but if it delays or prevaricates, the telecom sector and the continent risk losing control of a critical component. In that case, Europe will end up relying on global players as a lifeline.

The end game is a resilient European digital infrastructure with clear governance: competitive where feasible, shared where efficient, financed by a blend of European and global capital, and owned for the long haul by investors aligned to the asset's decades-long life.



Conclusion: the path to recovery

A healthy European telecom sector is more important than ever as the continent's countries compete in an uncertain world. That's why a tool such as the new Kearney European Telecom Health Index is vital for understanding which markets are thriving—and why—and which could benefit from the lessons learned in the Index's top-ranked countries. And since the sector never stands still, the Index's insights should prove invaluable regardless of a country's ranking.

As we've discussed, a number of factors are defining European telecom-sector health. Industry consolidation is one, with more concentrated markets and fewer, stronger players, which leads to higher EBITDA margins and ROCE that operators need to invest with confidence for the future. And then there's the eye-opening fact that the bottom 10 countries in the Index represent 70 percent of Europe's population and two-thirds of GDP for all countries in the Index. Large populations and economies served by a telecom sector in poor health does not bode well for Europe as a whole.

The insights are compelling:

- European telecom operators that monetize 5G and drive fiber take-up can generate the returns needed to fund future infrastructure investment.
- In B2B ICT, operators will need to be selective and play to their strengths and capabilities to build profitable, long-term customer relationships.
- Operators should operationalize CVM and do it at scale, using AI to better engage with customers to increase loyalty and realize the full value of the entire portfolio of services.
- By reimagining service delivery for the digital era, operators can achieve a much-needed improvement in cost reduction, but this requires new thinking and approaches.
- Network resilience is now a strategic imperative requiring broader approaches that account for virtualization, software dependence, and external partnerships.
- Satellite communications can complete seamless coverage, but operators and regulators must act proactively or risk fragmented, value-destructive services.
- With balance sheets stretched by fiber and 5G investments, operators need private equity partnerships to build comprehensive European digital infrastructure that supports AI and advanced compute needs.

The set of solutions is complex for revitalizing the European telecom sector. Operators face varying degrees of competitive pressure, are at different points in their investment life cycles, and have taken various steps to address their operational efficiency. Yet our analysis and survey findings point to a clear opportunity to enhance sector health and deliver greater value for consumers, businesses, and the broader European economy.

What's needed now is for each operator to craft a focused, forward-looking strategy—one that reflects the economic and political realities going into 2026, strengthens both revenue growth and legacy cost bases, and prioritizes infrastructure investment to meet future customer needs. Short-termism must give way to long-term vision. Pursued collectively, these actions will place the European telecom sector on a stronger, more resilient footing, ready to seize emerging opportunities, and face the inevitable challenges of an increasingly dynamic and changeable world.

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Appendix

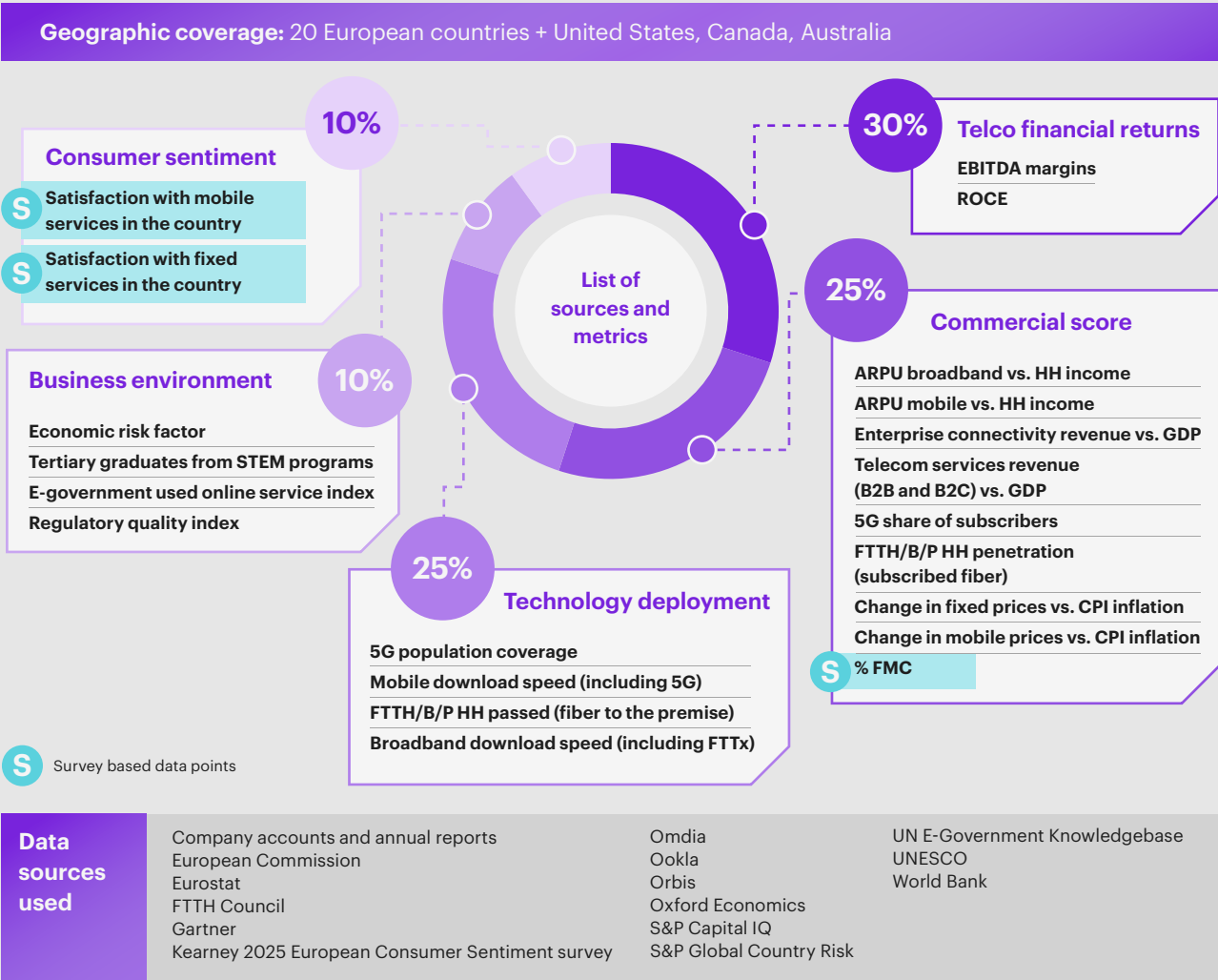
1. Note on the European Telecom Health Index methodology

Kearney has developed its European Telecom Health Index to provide a consistent and comparable measure of telecom sector performance across 20 European countries. The Index is based on an objective algorithm developed by our firm. It uses 21 quantitative

metrics to give a weighted score for each country across the five dimensions listed early in our report (see figure 13). Each metric comes from a reputable source to ensure reliability and consistency during evaluation. Where necessary, we have made adjustments to ensure direct comparability.

We calculated the financial metrics bottom-up using the largest operators in a given market. To increase metrics’ robustness and remove any one-off events that impact the operators’ financial performance, we looked at financial data from 2021 to 2023. For all other metrics, the latest available data was used.

Figure 13
Kearney Telecom Health Index structure



Note: ROCE is return on capital employed; ARPU is average revenue per user; HH is household; CPI is Consumer Price Index; FMC is fixed-mobile convergence.
Source: Kearney analysis

2. Consumer survey scope and methodology

The consumer insights in this report are based on a proprietary survey conducted from May 15 to May 31, 2025. The survey was administered by a leading global market research agency using a structured online questionnaire. We sought participation from 20,000 respondents in 21 European countries to ensure comprehensive coverage of both larger and smaller markets. We conducted this survey to complement our flagship Kearney European Telecom Health Index. The survey provides consistent, consumer-level perspective and allows us to compare perceptions of the telecom sector across multiple European markets.

To ensure robustness, strict sampling and control procedures were applied. Respondents were screened to reflect national population structures by age, gender, region, and household income, with quotas aligned to census distributions. This ensured the data would be representative of the diverse European telecom consumer base. It was conducted online by the research agency, which was responsible for fieldwork, response monitoring, and data validation. Respondents were required to be adults (18+) with direct responsibility for household telecom services. Screening questions were used at the start of each questionnaire to filter out ineligible respondents. All responses were tested for logical consistency. The survey questions were also translated and adapted to the relevant local languages for clarity and cultural appropriateness.

The questionnaire covered a range of telecom-related areas. It addressed both mobile and fixed services, as well as broader digital subscription behaviors. The following topics were included:

Mobile services. Provider choice, number of subscriptions, satisfaction levels, monthly spend, reasons for switching or staying, and likelihood of adopting new solutions

Fixed Internet. Type of connection, satisfaction with providers, Internet speed, monthly spend, interest in upgrades, and likelihood of switching

Digital subscriptions. Penetration of video, audio, gaming, and cloud services, subscription management methods (own, shared, bundled), average monthly spend on subscriptions, and trust in large digital platforms

Demographics. Household composition, type of residence (urban versus rural), income, and education

The questionnaire included closed questions (such as ratings from 1 to 10 and multiple choice) to ensure comparability across countries, and a limited number of open-ended questions to capture qualitative reflections.

Appendix

3. Related articles

Additional reading on the topics covered in this report:

Overall sector

[GSMA The Internet Value Chain](#)

[GSMA Mobile Internet Investment Landscape](#)

[How healthy is Europe's telecom sector?](#)

[Beyond the horizon, the story continues](#)

[Signaling the future: five telco trends in 2025](#)

[The 6Ps of InfraCo monetization](#)

Topline

[B2B telco sales has changed forever: why customer success is the key to retention and growth](#)

[It's time for 5G readiness to pay off](#)

[5G: fast networks, slow returns?](#)

[The telecom paradox: why connectivity prices are falling while everything else soars](#)

[How can wireless network slicing turbocharge B2B revenue?](#)

[How do I manage customer churn and enable sustainable growth?](#)

Infrastructure

[How fiber infrastructure operators can boost Europe's FTTH adoption](#)

[Super-heavy launchers can profoundly impact the next-generation satellite industry](#)

[The 5G API ecosystem is ready, but are communications service providers?](#)

[Impasse or tipping point: 5G readiness teeters between the two](#)

[Network resilience: a strategic imperative for CTOs, CEOs, and boards](#)

[Why delayering demands a SKU-led approach](#)

[Delayering is the next value opportunity for telecom](#)

Customer experience

[How can telcos move from enrage to engage mode when it comes to consumer care?](#)

[Navigating the telco customer journey to win with SMBs](#)

[How can technology companies better serve SMBs?](#)

[How should technology companies engage with SMB customers?](#)

Operations and efficiency

[Radical cost reduction through simplification: designing the telecom network of the future](#)

[Telcos must upgrade their BSS engines: Are cloud-first BSS innovators a serious consideration for telco operators?](#)

[Shrinking the telco carbon footprint by tackling customer premises equipment](#)

[Global Competitive Benchmarking: helping telco leaders meet their challenges](#)

[How can telecom operators balance the benefits of circularity with optimizing for TCO across the network equipment life cycle?](#)

[How can telcos create efficiencies in the network equipment supply chain and field services?](#)

[How can telco regulatory functions improve their efficiency?](#)

4. Endnotes

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