

## Podcast Transcription: The Future of eSIM, Travel With eSIM Plus

**[Ankit] (0:00 - 0:36)**

Hello everyone, thank you for tuning in to another episode of the Counterpoint Podcast. I am your host, Ankit Malhotra, and today we are going to talk about travel and eSIM, and we have a special guest from eSIM+. In a previous podcast about eSIM, we have talked about various topics from component shortage to eSIM transfer, effects on eSIM migration, testing and interoperability, and much more.

Today, as I said before, we have an interesting topic, eSIM and travel, and to talk about that, we have Dina, CEO eSIM+, to talk about that. Hello, Dina. Welcome to the show.

How are you doing today?

**[Dina] (0:37 - 0:42)**

Hi. Thank you for having me. Doing great. And I'm looking forward to our talk.

**[Ankit] (0:42 - 0:48)**

Thank you, Dina. So before we get to the discussion, would you like to introduce yourself and eSIM+, to our audience?

**[Dina] (0:49 - 1:39)**

Sure. eSIM+, is a company which is helping people when they're traveling to have basically run like home or no roaming charges as they travel. We understand that being online is now no more any luxury, but the everyday use.

And at the same time, you cannot be surprised with the roaming charges because in data usage, it could be a problem. That's one thing. And the other one is that very often you don't want to turn on, to turn off your major, your main SIM card, and you would like to have some other option, not going around the shops, not looking for a physical SIM card.

So you are looking for some other alternative. And here we come into the place and service people in the best way we can.

**[Ankit] (1:39 - 2:35)**

Right. And you said a very interesting thing, that people do not want to get rid of their main line, but do want the benefits of permanent roaming. And that is where I

think eSIM comes in, because getting physical SIM cards all the time is very difficult, especially when you're traveling.

And there used to be these small kiosks at the airport where you would travel and then after leaving your plane, after getting your security, after getting your luggage, then you would be able to get a SIM card. But that can take up to a lot of time. But with eSIM, you can get an eSIM before you travel.

When you reach the destination, you can just enable the profile and start enjoying the connectivity that we desperately need in this time. So yeah, eSIM definitely makes sense for travel. But Any particular trends you have seen from the last one or two years, which you think has made an effect in this area?

**[Dina] (2:36 - 7:03)**

Absolutely. As you completely correctly described, people are now looking more and more into opportunities for not going around the country physically, but be online the moment they land in the airplane and here we come into the place. But in terms of the recent trends, there are two main things which are impacting the industry.

The first one is that eSIM as a technology is spreading down the price range of smartphones. So if you would look back, you would see only Apple having it and only in the top-notch models. While currently it's spreading very, very actively, we have now 200 models of various phones already available, which are supporting eSIM.

And the tendency is only accelerating because no one wants to be left behind. And as you may imagine, as any new technology, first you have it like, oh, you have to pay extra for it. But now it's getting into this normal consumption pattern.

And of course, more and more people start using it or at least start having the opportunity to access it, let's say. The other trend which we do see is that before that eSIM was the choice of those who are very technically savvy. So it seems to be something very complicated, some software somewhere people had difficulty trusting that.

But currently, because of several things happening, this technology is also getting more and more popular with people. And this, you know, majority of people are joining it. And there are a couple of reasons.

One, the one I told you is that it can turn your device from a single SIM into a multi-SIM device, which is very important. And again, if you look back, let's say 10 years ago, it was a separate, very important industry niche of selling multi-SIM devices. And it was, you know, have to make this decision.

It was not very comfortable to use. You will have to choose the SIMs. But now with eSIM, it's totally different. You just say, what is, you know, what is your primary choice?

What is your secondary choice? And both SIMs are active at the same time. So in reality, you just decide, you know, which one will be servicing which kind of service, voice or messaging or data.

And it's a totally different experience. The other one is that operators themselves are also actually starting to promote this service. They are not doing it very joyfully.

The reason is that actually it takes away, let's say, the inbuilt loyalty in this physical SIM card. And before that, people, you know, you had to go to a shop and you need to do this, all the changes. Now, in reality, you can do all of it just sitting next to your computer or with your phone in your hands.

It takes you 10 minutes and you have a new SIM. So, of course, for regular traditional operators, that's a bit too high a competition. And first they were trying, you know, to sort of slow down the process because initially it was initiated by producers of the phones.

It was not initiated by telcos. But, you know, as the wave is getting higher and higher, you have sort of, you know, to service to this need as well. And because, you know, now it is now impacting the whole industry because, you know, when you have, again, a new wave of competition, the national operators, the incumbent operators start thinking, you know, how can they compete?

And the third trend which we also observe is that we have more and more companies, traditional telco companies, which we are talking to to include them into our ecosystem because we are a global player. We service people globally, not nationally. And more and more national operators, considering us as their partner, for the people who are, you know, are not their customers, but with us they can get them.

So, these are probably the main three things which are impacting the industry currently.

**[Ankit] (7:04 - 9:18)**

Thank you. And I think I definitely agree with a lot of your observations. The first one being more devices with eSIM.

As you correctly mentioned, they used to be limited to some flagship devices. But over, I think, not just last two years, it has accelerated in the last one year after the

launch of eSIM only iPhone 14. And now, even we used to see that it used to be restricted to Apple and sometimes Samsung.

But now even Chinese OEMs have started bringing eSIMs devices. Then you have other OEMs like Nokia, Motorola, who are introducing eSIMs to their lineups. We are even seeing eSIMs and budget devices.

One of the good examples is Japan, where you are seeing devices which cost less than \$200 coming up with eSIM. Even, if I can talk about one more example, like for example, Oppo does not have eSIM in most of their portfolio. But in Japan, because the operators are ready for eSIM, they have eSIM in their budget A-series, which is their entry-level series.

And they have it there, not anywhere else. So, we can see that the OEMs are responding to the customer demand and customer awareness is completely rising. If you take a look at the Google Trends, the searches for eSIM, they have been increasing linearly from the last four years.

We are seeing a constant increase in that. And that can be explained because of higher devices, but also operators who have started supporting eSIM a lot more. Right now, we believe there are more than 110 countries where the operators, the central operators, they are providing eSIM.

And that has only grown over the last one, one and a half years. So, yeah, we can see that operators are providing eSIM and devices with eSIM are coming. The customer awareness is there.

So, when everything is going up, we definitely see a lot of innovations in the industry. So, what innovation are we looking at with respect to eSIM, with respect to travel? And what are you seeing personally with respect to eSIM Plus?

**[Dina] (9:18 - 14:23)**

Well, there are several things which are becoming obvious. The one thing is that there are two big industries that actually were going online in the first round, which is finance and telecommunications. And more and more synergies between these two are happening.

And we in eSIM are also very much working on the fact that our customers will have the opportunity to do money transfer, to get a credit card, instant credit card within the ecosystem of our eSIM product. The other one is that because people are starting thinking more and more globally, they also prefer to go away from concrete fiat currency and into crypto payments. With the crypto raising, it's now getting more obvious that people who sort of behave globally, who think globally, they also prefer global connectivity and global payments, which is easier done through crypto.

And what we see in our case, up to 60% of payments are already done in crypto. So, that's showing that the people who are moving around very actively, they're also thinking this over the borders, let's say, vision. So, that's another thing.

And we're also enabling that one. We will be launching a crypto wallet within the app. We will be launching a blockchain-based ID within the app so that it has to be one getaway for people if they wanted to have it all in one place.

What is also now getting obvious is that with eSIM being fully digital service, we are getting away from, let's say, an infrastructure, central infrastructure-based logic, into something which is distributed. You have services distributed globally, but also gradually we are all moving into decentralized infrastructures. And, you know, because actually it is now the time when we disrupt also the very core of telecommunication, which is physical infrastructure, licensing, etc.

And people would like to add also their sort of stake in this. And then eSIM is a platform for getting the service and decentralized infrastructure beneath it enables them to be actually owners of their own telecommunication services. And that's definitely the future.

And that's also our vision. This is where we are moving very actively and hoping through that approach that we can not only go away from roaming prices, but actually leverage the price differences in various countries around the globe. I mean, a mobile communication, basic mobile communication in, let's say, U.S., in the United States, and say in Nigeria, are very, very different. But in the essence of it, it's still the same service. So that's exactly where we would like also to play the role in this, you know, global balancing of data pricing. And why we believe it's now the moment, because absolutely, internet has gone away from, you know, a feature which would be nice to have.

It's an absolute must-have. And when you're not online, you feel lost, feel weird. And this is where we, you know, understand that this is an opportunity.

This is why it's so important to be connected to your data before you even land. Because, you know, what people do first thing, they turn on their phones, right? Even before it's announced that you can do it already, everybody's, you know, doing it.

And you need, obviously, data because you need to check all your messages, all your emails, you know, pictures which have been uploaded while you were away. So that's definitely something which is of huge value. And, you know, we're even thinking sort of next level is that there is, as you may obviously know, there is also

connectivity on board of airplanes, which can be also provided by different means, including satellite connectivity.

So when we are thinking about this global supplier platform, global supplier chain, we are also looking at satellite providers and to serve as a link between, you know, what is traditionally physical infrastructure standing on the ground, satellites in the air, in the space, and also people building their own infrastructure and owning it. So that it's really one big, you know, one big piece.

**[Ankit] (14:24 - 15:22)**

Right. Internet is an absolute necessity. And without internet, it feels unconnected, to be sure.

Even people who used to get plans earlier without, in the days of the physical SIM, there used to be lots of charges on calls, SMS levied by the operators. But now with the internet, even you have options like WhatsApp, and you have options like Telegram, you do not even need to have calls available. You can just use the internet to call.

But that brings a concern for the operators. The roaming used to be a big, big chunk of revenue for the operators, which they are quite rightly scared of losing. So how do traditional telcos come into this with the SIM apps and travel and growing?

How do they come into the picture? How are they changing with this trend?

**[Dina] (15:22 - 18:19)**

Of course, the revenue stream was like, if you remember, there were also international calls sometime before, which was also a huge revenue stream for telcos. And I started my sort of job journey when international calls were still a huge revenue stream for us, for telcos. SMS were a huge revenue stream, for example.

And for those of us who are old enough, they would even remember what was called bus SMS. This is where we were by SMS, we were learning what is the weather tomorrow and stuff like that. So something which, for example, my kids are totally, couldn't even comprehend the theory of. And yeah, for telcos, it was exactly the story where telcos were losing the revenue and the place they could have played and the role they could have played in the world, if they would react, would have reacted faster.

If they would have understood that, you know, the world is changing. I remember when Skype appeared, we in telecom were like, okay, I mean, it's just one small thing. How can it influence, you know, everybody?

The people will still call. And then in just eight years from that point, we were already discussing that not only, you know, people are not calling international, they are stopping to call it even within the country. Because as you correctly said, it's WhatsApp, it's Viber, it's Telegram, whatnot.

And it's, you know, it's not a good play for telcos. Everybody understands that, you know, it's another hit for the industry. But that's exactly the choice you have to make.

You either sort of pretend this trend does not exist. And this game didn't help telcos before. They were losing on this sort of, you know, I don't see anything.

And now they have to cooperate with the guys like us, because we are what people need. And, you know, if people need it, they will find a way. And we will find a way to service them, they will find a way to buy us.

So it's easier, you know, to be part of this game, to become network as a service, to become, you know, part of this global infrastructure, rather than pretend, you know, this thing is not happening. Of course, it will not be very easy, it will still have some resistance in, you know, in some of the countries, from regulators, from big telcos, big telco groups. But it's inevitable.

So sooner or later, no, it's like fighting WhatsApp or fighting the fact that, you know, yeah, you can say that it's not there, but it's there. So that's something we believe will be happening.

**[Ankit] (18:19 - 19:13)**

Correct. And I think we are seeing some innovations. I think eSIM has definitely started becoming part of the travel economy.

Now, I will tell you an instance, every month, we are looking at what is happening in eSIM, looking at what news is trending with regards to eSIM. And every month, I can see at least two or three different blogs, written not by eSIM companies, written not by analyst houses like us, not by travel eSIM companies, but by travel bloggers who are writing, how can they use eSIM to save cost? How can they use that to make their experience better?

And that number is just slowly going up. So I think definitely it has become part of the travel economy. And with the benefits that it offers, I think it will become an even more essential part of eSIM travel or just travel.

**[Dina] (19:13 - 20:02)**

Absolutely. Even we are surprised with the speed, how it's, you know, how it spreads. And yes, you know, because it's very easy to sell a product, which frankly sells on its own.

It does offer much better conditions. It's a beautiful customer experience. You really can do it fully online and you really do get, you know, good connectivity wherever you travel.

So people gradually just discovering it for themselves and to then bloggers are famous for, you know, being faster and advising about what is really good. The fact that there are more and more of these guys showing that, you know, product is real. It's really beneficial.

**[Ankit] (20:02 - 21:05)**

Yes. So not just travel, of course, travel is one of the biggest use cases. And I believe that it's one of the natural use cases for even, not just for travel, but if we want to get consumers to use eSIM as their main line, it can be a very good step for consumers.

For example, if some, right now I'm using a physical SIM as my main line and I start using eSIM when I travel as I do. So now I'm aware of the onboarding process. Now I know how to scan the QR code.

Now I know how to download an eSIM. How does it work? So next time I'm buying a new phone, rather than putting in my old physical SIM, what I will do is I'll think, yes, when I was traveling, it was very easy for me to use the eSIM.

So I should just use eSIM on my primary phone as a primary line. And I think that is also adding a lot of value to the overall ecosystem. I think that is also a step that we need to recognize.

**[Dina] (21:06 - 22:53)**

True. However, the research is showing that, let's say the later majority still feels a bit uncertain about having all the eSIM in their phones. There is this idea that if you have something physical in your hands that you can take it out, then it's something much more reliable, which is of course not.

I mean, it's an illusion. Moreover, this is an illusion which makes you dependent because you can lose it, you can break it. There are many, many other things which can happen.

But still people, you know, it's like when we are talking about usage of 5G, those who are, you know, they just use it. They just use it. There are some people who are still afraid of using 5G for whatever reasons.



So it will take a while that everybody switch to eSIM. But you're absolutely right. More and more we'll be having the situation when people will be using eSIM as their primary SIM card for national connectivity.

More to that, what we are working at is actually having one monthly fee for you to have it globally available. So you don't, you will not even have the necessity, you know, to have two SIMs, one for travel, one for local. The direction we are taking is that you have one eSIM and it's, you know, and you are getting the local rates everywhere you go.

So that's the vision we are, you know, going after. And we believe it's coming. Maybe in five years from today, four years. But for sure, this will be quite a broad use case.

**[Ankit] (22:53 - 23:38)**

That is certainly very interesting and would be very nice to see it happen in real time. Another area which you would like to touch upon is another area where eSIM shines over the physical SIM. In the last two years, there have been two big events where eSIMs have been able to connect people, where physical SIMs have been not.

I'm talking about the Russia-Ukraine war and the Israel-Gaza war, where the physical infrastructure was not able to connect people who were affected by the war, but eSIMs were able to connect people. How do you see eSIMs as a catalyst of connectivity in areas struck by, not just by war, but also by natural disasters?

**[Dina] (23:39 - 25:46)**

For us to understand it maybe into technology, it would be easier to understand how it works. So the eSIM is actually also a SIM which connects to the physical infrastructure with any other infrastructure available around. So it's like any receiving device looking around and finding a signal.

The beauty of eSIM is that, at least provided by us, is that it is looking for a signal whatever is available. So imagine that you have, for example, several base stations, as we call it in telecommunication industry, so several antennas around you. And one of them is out of electricity and it's not anymore transmitting for whatever reasons.

Let's say there was an earthquake and one base station was lost. This is usually a base station which belongs to a concrete operator. And if you are connected on a local level to that particular operator, you're losing the signal.

What is happening with eSIM, eSIM is looking for all the other available operators, any other signal which is around. And then, I mean, God forbid, everything is down and nothing is working. Satellite most likely will be still on air.

So that one, this is why we are so much looking into satellite connectivity on our platform as well, because this is always a backup plan. But generally, the trick is that, yeah, eSIM is looking around. Another one is that for eSIM, it's enough that you have internet for just 10 minutes, and then you get a new SIM.

So imagine that you lost your phone or something happened to it, and you need a new phone with the connectivity, and the shops are not working. Everything is closed down. You have a problem.

While with eSIM, this problem is non-existent. You have 10 minutes connectivity, you're online, and you have your connectivity totally restored. So that's why these two things are crucial for places which are crisis-ridden.

**[Ankit] (25:48 - 26:19)**

Right. Of course, eSIM is easier to download, easier to find, easier to use. But still, the uptake of eSIM has been slower than what we have expected.

Although all the predictions say that eSIM will be growing very fast, very quickly. And we can see that, especially in the last six months, last one year. But before that, it was a little slow.

Why do you think that is, and how do you think eSIM will grow in future?

**[Dina] (26:20 - 28:13)**

I believe that there are three main factors. The one is that, as I already mentioned, telecommunication operators themselves were not very much promoting it. Even those who were launching it were not very loud about it.

So if you would come and ask for your SIM card to be exchanged, they would most likely exchange for another physical SIM card. So that's thing number one, which has changed. Again, as I said, with the devices spreading, and with this need and awareness growing among the customers, also the operators are starting to change their behavior.

So that's number one. Number two is that we do deal with people who feel, sometimes, simply scared by something new. And you're uploading something to your phone, your dearest phone, without which you're totally lost in the world.

What could that possibly be, and what should it do to your connectivity? So this fear was there, like with, again, anything new, basically. So with the awareness growing, with, as you said yourself, travel bloggers talking about it, companies talking about it, people gradually start believing that there's nothing scary, they should give it a try, and nothing bad would happen.

So that's factor number two. And factor number three is, of course, the phones. The moment you hit what is called mid-range phone assortment, it is usually a huge boom.

It was very obvious with other telecommunication services-related things. 3G adoption was exactly the same. 4G adoption, 5G adoption was following exactly the same trend. So we believe that now it will only grow faster and faster.

**[Ankit] (28:13 - 28:40)**

Right. I think it's very easy to understand now. The eSIM and the travel, and anyone who has never used eSIM, by listening to this, might be able to understand it better.

So I think it has been very absolutely wonderful. I would just like to get two concluding remarks from you. What can we see in 2024 with regards to eSIM and travel?

And what are we going to see from eSIM plus particularly?

**[Dina] (28:41 - 29:35)**

From the eSIM travel as an industry, customers will see more and more competition, better and better offers. Companies will be competing for their share of wallet and their attention. So that is the game which is definitely beneficial for the users.

And I encourage users to look into it. It's the game for them. From the eSIM plus perspective, we're actually looking not only into eSIM travel business, but as I said, we are building this super app concept.

We're adding new services inside the app. And we will be focusing on that one. So if you join us, you're getting much more than just travel data and not even virtual phone numbers. It's much more to that. And we definitely encourage you to come and have a look.

**[Ankit] (29:36 - 29:59)**

I think that would be the plus in eSIM plus. And yeah. And with that, Dina, thank you so much.

It was absolutely wonderful. I think all of our audience will also be happy listening to this and absolutely good insights, some new things for us to observe in the market. And thank you again.

Thank you for joining in. It was absolutely wonderful.