



Telecoms software and services: worldwide market shares 2018



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About this report

This report provides market share data for communications service provider (CSP) spending on telecoms-specific software systems and related services across different segments.

The report covers two areas of spending for 2018.

- Product-related, which includes spending on products and product-related services.
- Professional services, which is independent of particular vendor products.

The market definition section of this report provides detailed explanations of these terms.

KEY QUESTIONS ANSWERED IN THIS REPORT

- What was the overall size of the telecoms-specific software and services market and what drove this spending among CSPs?
- How did the spending vary across seven different market segments and their sub-segments?
- Who are the major vendors, what is their share of revenue in the market, and which vendors are growing or shrinking and why?
- What are the different drivers and growth rates for CSPs' spending on products, product-related services and professional services?

GEOGRAPHICAL COVERAGE

- Worldwide
- Central and Eastern Europe
- Developed Asia–Pacific
- Emerging Asia–Pacific
- Latin America
- Middle East and North Africa
- North America
- Sub-Saharan Africa
- Western Europe

SEGMENT COVERAGE

- AI and analytics
- Customer engagement
- Automated assurance
- Service design and orchestration
- Video and identity platforms
- Monetisation platforms
- Network automation and orchestration

WHO SHOULD READ THIS REPORT

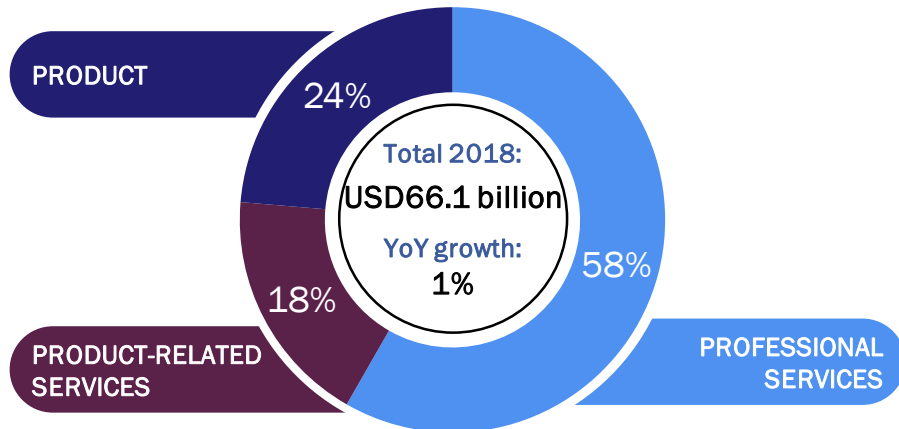
- Vendor strategy teams that need to understand where growth is slowing and where it is increasing across different market segments and sub-segments.
- Product management teams that are responsible for feature functionality and geographical focus, and product marketing teams that are responsible for market-share growth.
- Market intelligence teams at vendors that want to understand how their competitors compare to each other.
- CSPs that are planning transformation projects and want to ensure that their current vendors are staying up to date.

Dashboard: telecoms software and services revenue market shares

KEY MARKET DEVELOPMENTS IN 2018

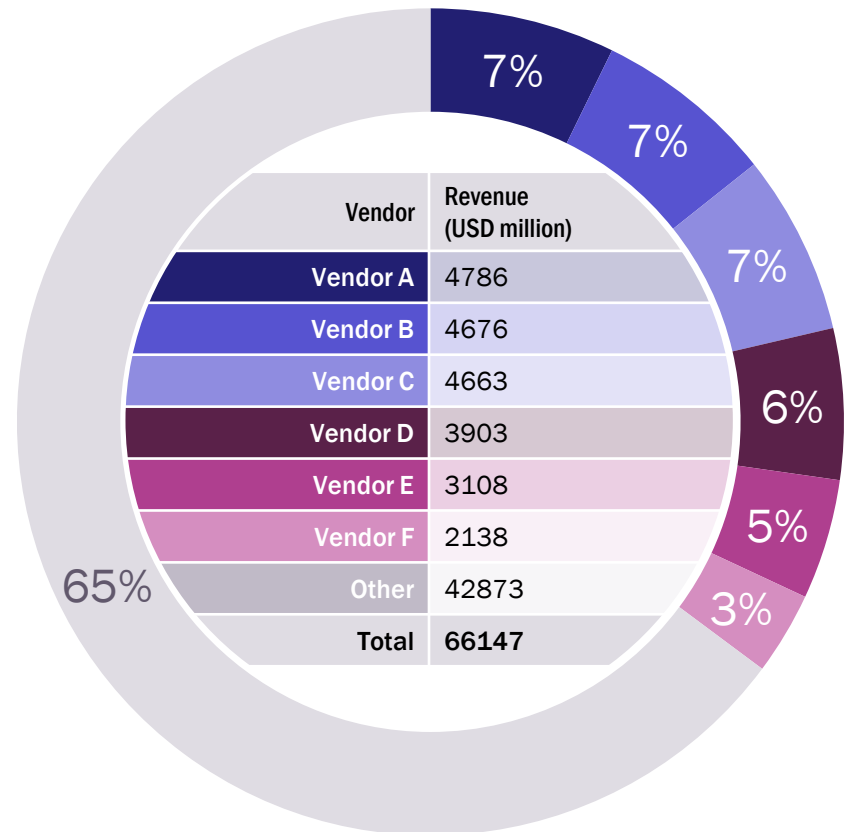
- Telecoms software products account for only a quarter of total spend. The remaining three quarters is for some type of services.
- CSPs' increased use of generic IT methods, including open-source software and cloud-delivered technology, put downward pressure on product spending.
- Two thirds of telecoms software spending goes to niche suppliers with less than 3% market share. There are hundreds of such suppliers: some of them are telecoms specialists (such as Affirmed Networks), while others (such as Amazon Web Services) supply the telecoms vertical as well as many other industries.

Figure 5: Telecoms software and services total revenue by type, worldwide, 2018



Source: Analysys Mason

Figure 6: Telecoms software and services total revenue by vendor, worldwide, 2018¹

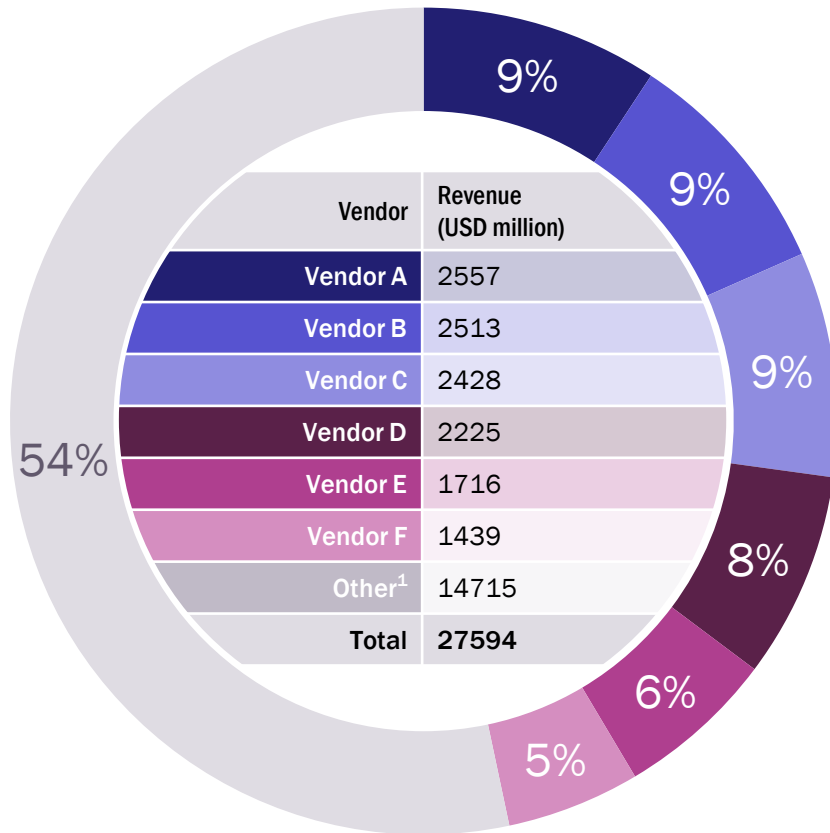


Source: Analysys Mason

¹ Note that essentially all of the revenue in this report attributed to NEC/Netcracker is Netcracker's. The big exception is the NMS portion of network automation and orchestration segment revenue, which relates directly to NEC's network infrastructure business.

Telecoms software product-related revenue summary

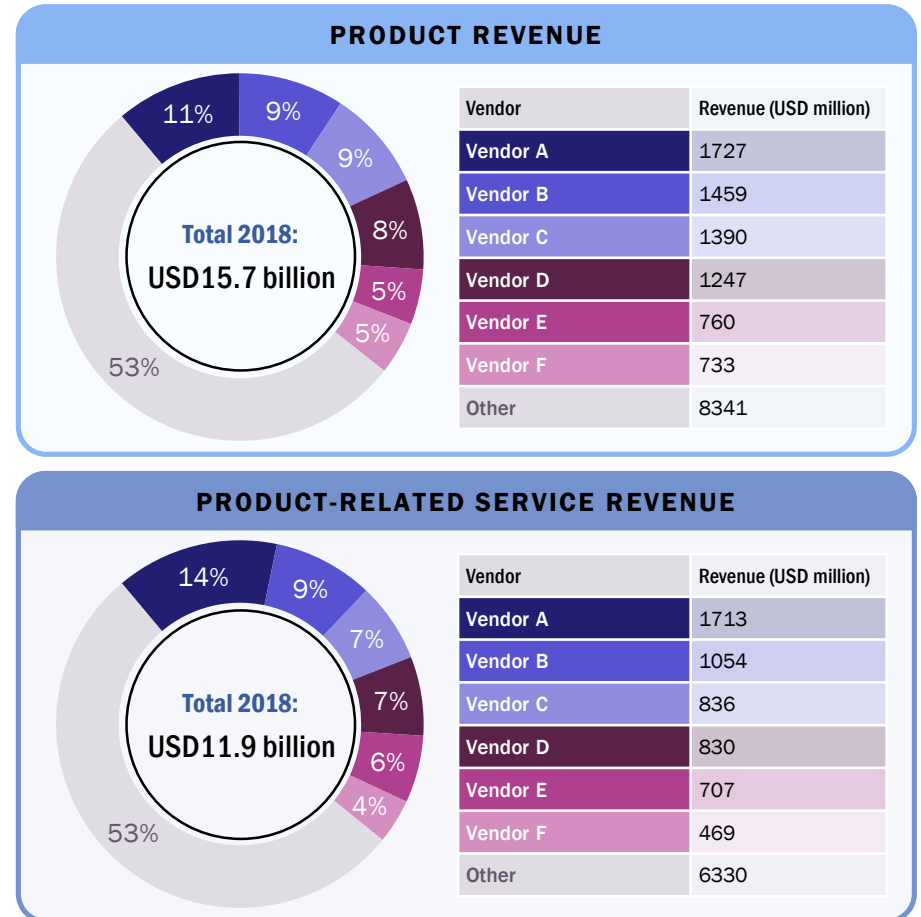
Figure 16: Telecoms software product-related revenue by vendor, worldwide, 2018¹



Source: Analysys Mason

¹ Significant vendors in the 'Other' category include ...

Figure 17: Telecoms software product and product-related service revenue by vendor, worldwide, 2018





Executive summary

Business environment

Market shares

Mergers and acquisitions

Market definition

About the authors and Analysys Mason

About the authors [1]



Larry Goldman (Head of Networks and Software Research) leads Analysys Mason's work in telecoms network and software research. His current focus is service provider digital transformation and the transition to 5G. He co-founded OSS Observer, now part of Analysys Mason. Larry has over 30 years' experience in telecoms networks and software. Before founding OSS Observer in 2003, he was OSS Program Director at research firm RHK. Prior to joining RHK, he was Director of the Network Solutions Group at Tellabs (now Coriant), managed OSS development at GTE (now Verizon), and spent 12 years at Hewlett-Packard, where he was a manager responsible for telecoms-related software development. Larry is a frequent speaker at industry conferences.



Dana Cooperson (Research Director) is the research director for Analysys Mason's six software and networks technology research programmes. Her team's mission is to help customers to progress toward and benefit from a more automated, autonomous, cloudified future, rather than be threatened by this market shift. Her areas of expertise are intelligent fixed and mobile network infrastructure, automation and operations. Dana's research and consulting focuses on the communications software/network market and technology best practices required for digital business transformation and enabled by the integration of NFV, SDN and other IT technologies for virtualisation, cloudification and automation.



Michela Venturelli (Research Analyst) is a member of the software research team, and contributes to the software and network technology research programmes. Her areas of interest include the digitalisation of communications service providers' (CSPs') systems, and the evolution of software architecture in cloud computing deployments. Michela holds a PhD and a MSc in Physics from University College London and Statale di Milano university, respectively.

About the authors [2]



Gorkem Yigit (Senior Analyst) is the lead analyst for the *Video and Identity Platforms* programme and a contributor to the *Digital Infrastructure Strategies* and *Network Automation and Orchestration* programmes, focusing on producing market share, forecast and research collateral. He started his career in the telecoms industry with a graduate role at a leading telecoms operator, before joining Analysys Mason in late 2013. He has published research on NFV/SDN services business cases, identity management in the digital economy, and has been a key part of major consulting projects including Telco Cloud Index and IPTV/OTT procurement. He holds a cum laude MSc degree in Economics and Management of Innovation and Technology from Bocconi University (Milan, Italy).



John Abraham (Principal Analyst) leads our digital transformation research, including three research programmes: *Customer Engagement*, *Monetisation Platforms* and *Digital Experience*. His areas of focus include customer journeys and experience, the impact of 5G on BSS systems, telecoms enterprise opportunities, cost transformation, ecosystems and value chains, and micro-services-based architecture models. John has over a decade of experience in the telecoms industry. At Analysys Mason, he has worked on a range of telecoms projects for operators in Africa, Europe, India and the Middle East. Before joining Analysys Mason, he worked for Subex, a BSS vendor, and before that for Dell in India. John holds a bachelor's degree in computer science from Anna University (India) and an MBA from Bradford University School of Management (UK).



Anil Rao (Principal Analyst) is the lead analyst for the Automated Assurance and Service Design and Orchestration research programmes, covering a broad range of topics on the existing and new-age operational systems that will power operators' digital transformations. His main areas of focus include service creation, provisioning and service operations in NFV/SDN-based networks, 5G, IoT and edge clouds; the use of analytics, ML and AI to increase operations efficiency and agility; and the broader imperatives around operations automation and zero touch networks. In addition to producing both quantitative and qualitative research for both programmes, Anil also works with clients on a range of consulting engagements such as strategy assessment and advisory, market sizing, competitive analysis and market positioning, and marketing support through thought leadership collateral.

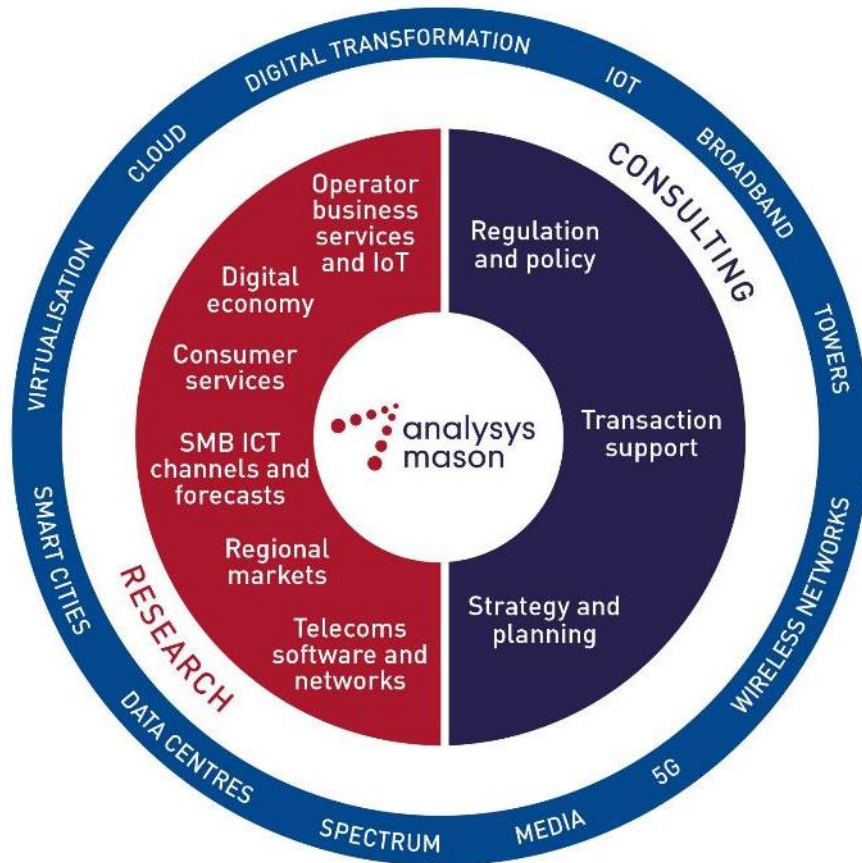
About the authors [3]



Justin van der Lande (Principal Analyst) leads the *AI and Analytics* research programme, which is part of Analysys Mason's Telecoms Software and Networks research stream. He specialises in business intelligence and analytics tools, which are used in all telecoms business processes and systems. In addition, Justin provides technical expertise for Analysys Mason in consultancy and bespoke large-scale custom research projects. He has more than 20 years' experience in the communications industry in software development, marketing and research. He has held senior positions at NCR/AT&T, Micromuse (IBM), Granite Systems (Telcordia) and at the TM Forum. Justin holds a BSc in Management Science and Computer Studies from the University of Wales.

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