About this report

This report provides market share data for communications service provider (CSP) spending on telecoms-specific software systems and related services for 2019 across seven different segments. It provides details of how spending varied by delivery model, service type, vendor and region.

It is based on several sources, including:

- interviews with CSPs and vendors worldwide

- Analysys Mason's research conducted during the past year.

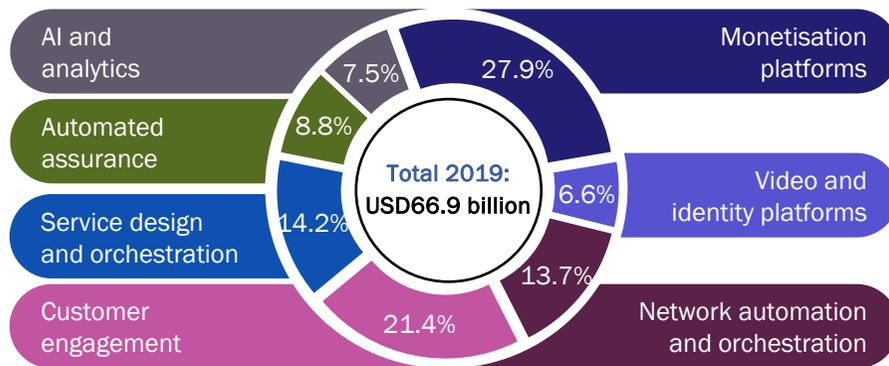| GEOGRAPHICAL COVERAGE	SEGMENT COVERAGE
▪ Worldwide ▪ Central and Eastern Europe ▪ Developed Asia–Pacific ▪ Emerging Asia–Pacific ▪ Latin America ▪ Middle East and North Africa ▪ North America ▪ Sub-Saharan Africa ▪ Western Europe	• AI and analytics • Customer engagement • Monetisation platforms • Automated assurance • Service design and orchestration • Network automation and orchestration • Video and identity platforms

KEY QUESTIONS ANSWERED IN THIS REPORT

- What was the overall size of the 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 of CSP spending on products and professional services?

WHO SHOULD READ THIS REPORT

- Vendor and systems integrator 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, geographical focus or professional service offerings, 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.
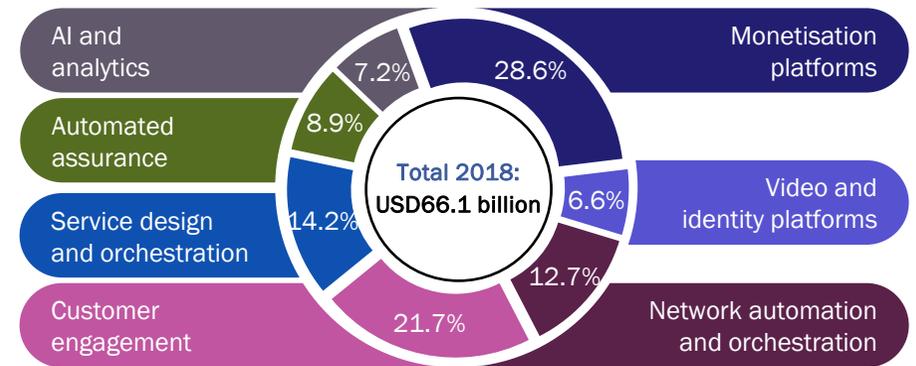
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There were only small changes in the relative size of the segments between 2018 and 2019

Figure 3: Telecoms software and services total revenue by segment, worldwide, 2019

AI and analytics — 7.5%
Automated assurance — 8.8%
Service design and orchestration — 14.2%
Customer engagement — 21.4%
Monetisation platforms — 27.9%
Video and identity platforms — 6.6%
Network automation and orchestration — 13.7%

Total 2019: USD66.9 billion

Source: Analysys Mason

Figure 4: Telecoms software and services total revenue by segment, worldwide, 2018

AI and analytics — 7.2%
Automated assurance — 8.9%
Service design and orchestration — 14.2%
Customer engagement — 21.7%
Monetisation platforms — 28.6%
Video and identity platforms — 6.6%
Network automation and orchestration — 12.7%

Total 2018: USD66.1 billion

Source: Analysys Mason

While the overall market size and leadership is stable year-over-year, there are some shifts in the relative importance of some segments.

Network automation and orchestration is a growing area, driven by cloud, 5G and the continuing push for greater automation. This segment includes virtualisation. Newer cloud-focused and virtual network focused vendors captured more share in this fast-growing segment than in more-traditional areas of telecoms software. Growing CSP focus on SD-WAN deployment was also a factor.

Revenue in both BSS areas – **monetisation platforms** and **customer engagement** – is declining slightly. These two areas account for the highest levels of CSP spending, and are under the most pressure for reductions in total spend. Perhaps ironically, CSPs' success at increasing automation has put downward pressure on some BSS areas, such as outsourced customer service operations.

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About the authors [1]

William Nagy (Analyst) is a member of the *Telecoms Software and Networks* research team in London, contributing to various research programmes with a focus on *Automated Assurance*, *Service Design and Orchestration* and *Forecast and Strategy*. He previously worked with the regional markets team. William holds a BSc in Physics from Queen Mary University of London.

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.

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).

About the authors [2]

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.

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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About the authors [3]

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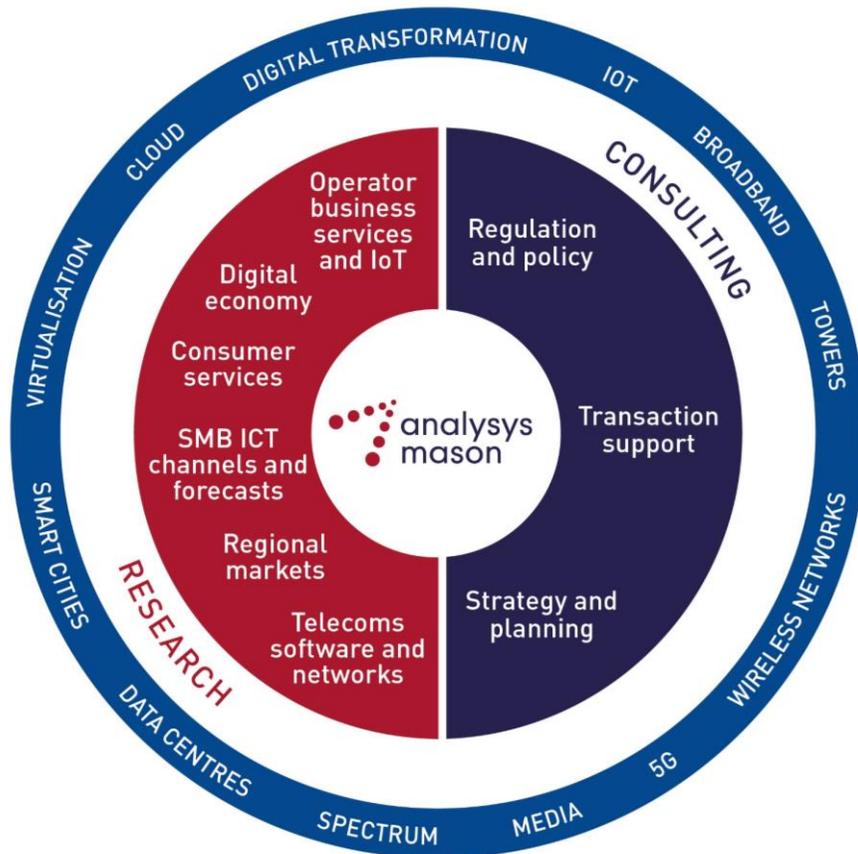
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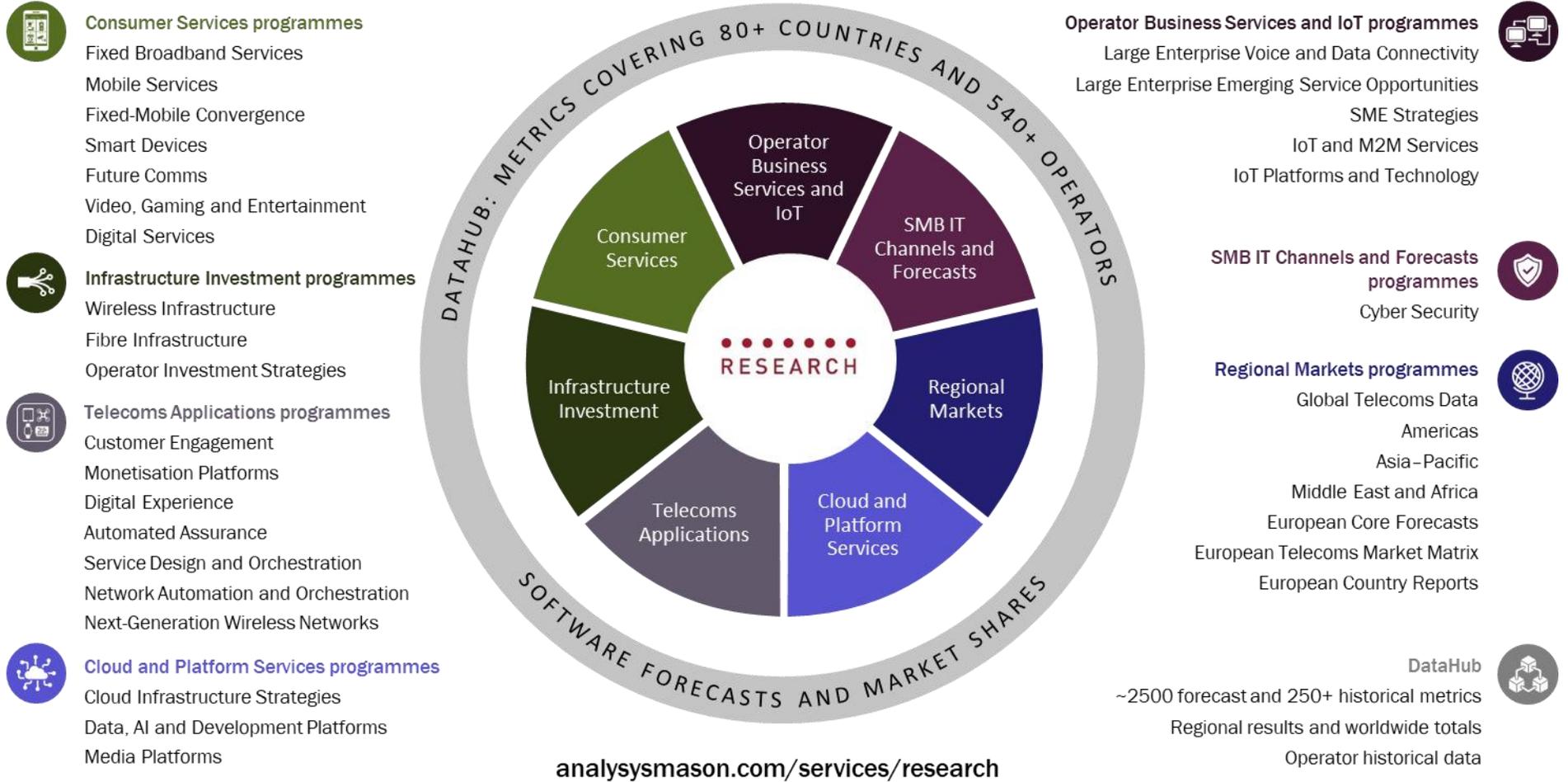
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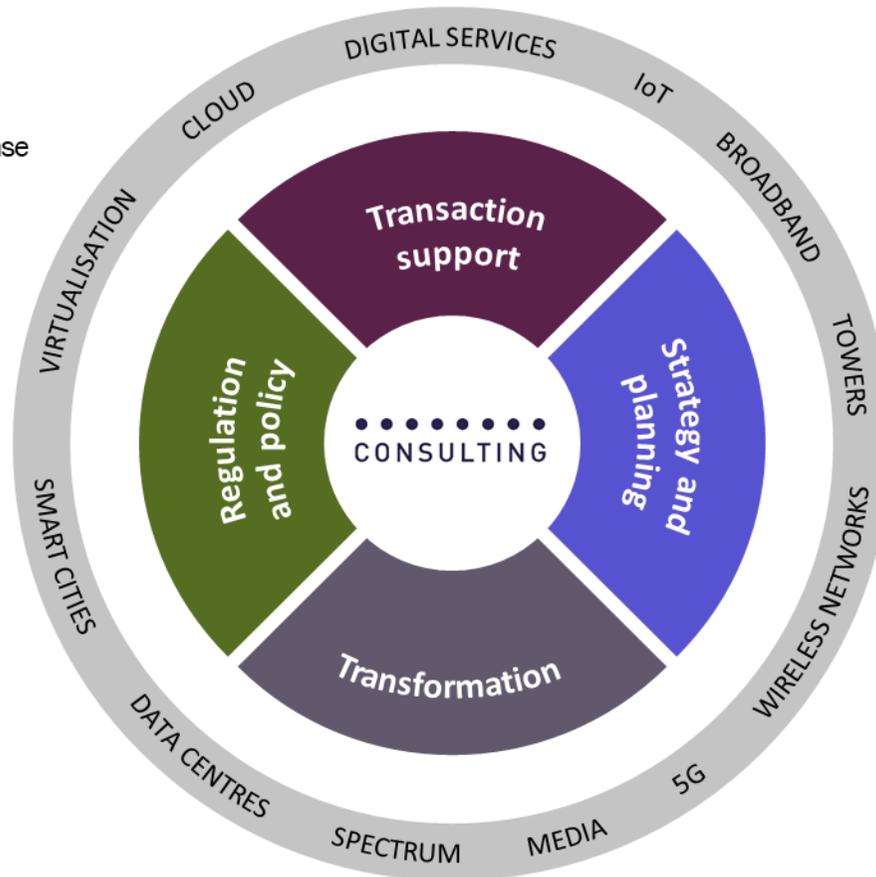
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