AI and analytics: worldwide market shares 2018

Justin van der Lande

RESEARCH

About this report

This report provides market share data for communications service provider (CSP) spending on telecoms-specific AI and analytics software systems and related services for 2018. It provides details of how the spending varied by delivery model, service type, vendor and region. The report also includes ‘snapshots’ of information about the leading vendors in the market.

It is based on several sources, including:

- interviews with CSPs and vendors worldwide
- Analysys Mason’s research conducted during the past year.

GEOGRAPHICAL COVERAGE	SUB-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	▪ Business analytics ▪ Network analytics ▪ Revenue assurance and fraud management

KEY QUESTIONS ANSWERED IN THIS REPORT

- What was the overall size of the market (AI and analytics software systems for the telecoms industry) and what drove this spending among CSPs?
- How did the spending vary across different sub-segments of the AI and analytics market?
- Who are the major vendors and what is their share of revenue in the AI and analytics systems market?
- What are the different drivers and growth rates of CSP spending on products, product-related services and professional services?

WHO SHOULD READ THIS REPORT

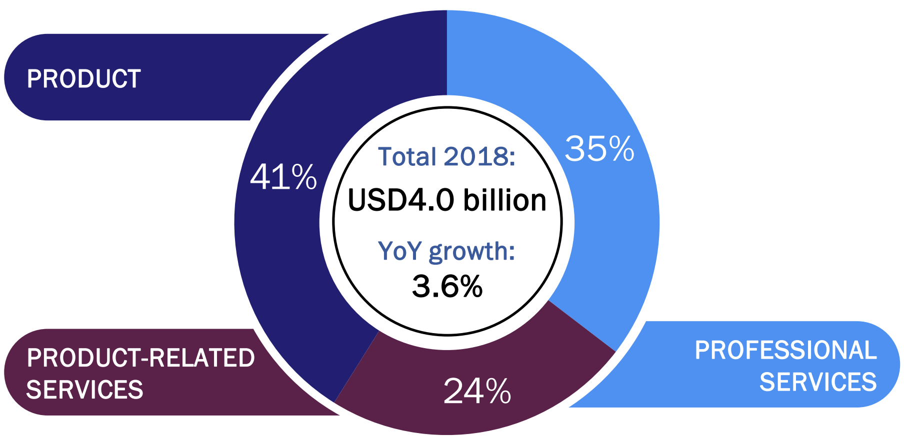
- Vendors within the AI and analytics market that are searching for insights into how and why the market is changing, and what their position is within it.
- Product marketing, field marketing, CTOs and sales groups concerned with supporting their products within the AI and analytics telecoms market.
- CSPs that are considering using technology to support their goals of providing increased levels of automation and that are looking to find tools to support them.

Dashboard: AI and analytics revenue market shares

KEY MARKET DEVELOPMENTS IN 2018

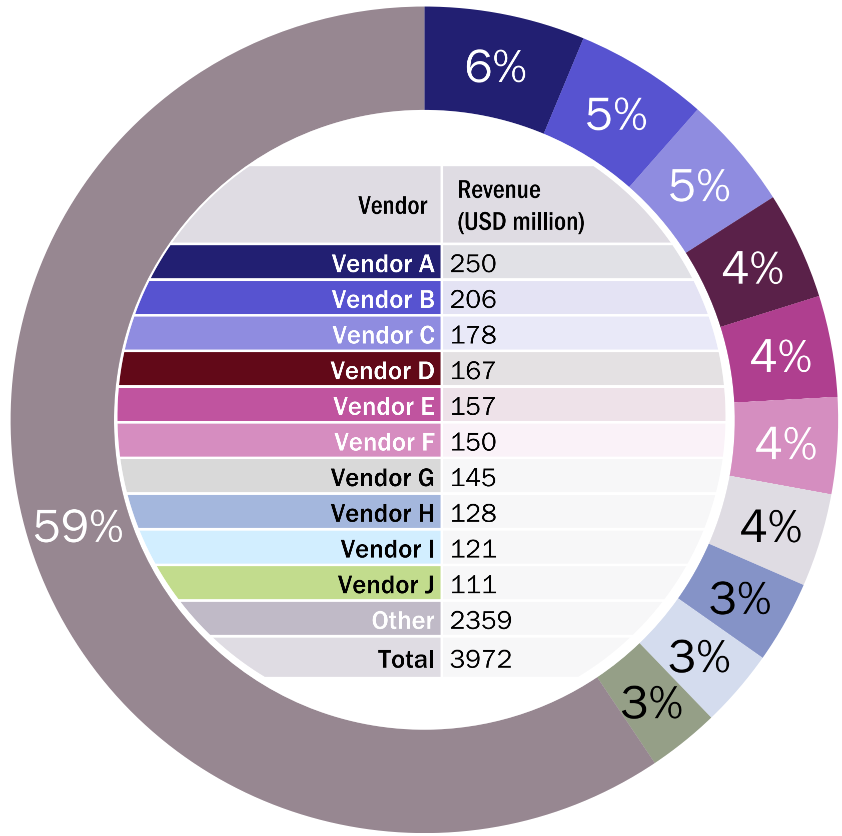
- The true growth in the number of AI and analytics installations is not entirely reflected in the revenue-only market shares. Open-source and low-cost AI solutions are suppressing the revenue that established AI and analytics vendors are now able to command.
- Professional services that enable vendors to generate revenue without necessarily increasing product-related sales is leading to revenue growth.
- SaaS-based delivery models have continued to drive revenue growth for major OTT providers as well as SaaS-based analytics tools vendors.

Figure 1: AI and analytics total revenue by type, worldwide, 2018



Source: Analysys Mason

Figure 2: AI and analytics total revenue by vendor, worldwide, 2018

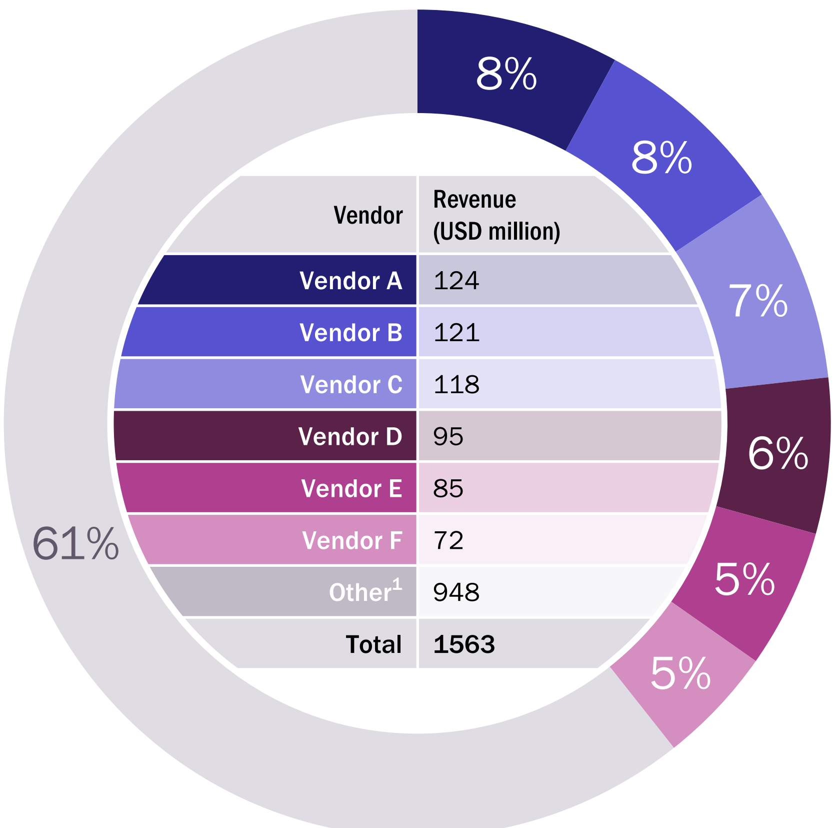


Vendor	Revenue (USD million)
Vendor A	250
Vendor B	206
Vendor C	178
Vendor D	167
Vendor E	157
Vendor F	150
Vendor G	145
Vendor H	128
Vendor I	121
Vendor J	111
Other	2359
Total	3972

Source: Analysys Mason

Business analytics: product-related revenue market share

Figure 14: Business analytics product-related revenue by vendor, worldwide, 2018



Vendor	Revenue (USD million)
Vendor A	124
Vendor B	121
Vendor C	118
Vendor D	95
Vendor E	85
Vendor F	72
Other[1]	948
Total	**1563**

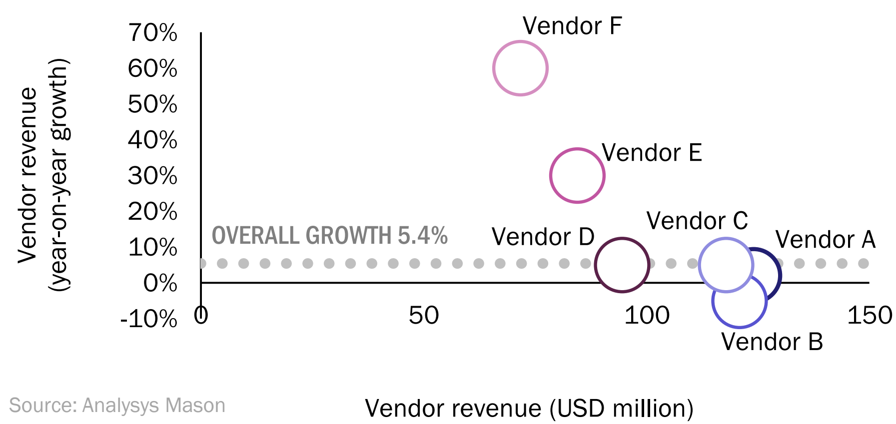
Source: Analysys Mason

[1] Significant vendors in the 'Other' category include…

KEY MARKET DEVELOPMENTS IN 2018

- AWS and Microsoft, both of which have SaaS-based solutions, have become two of the top-six vendors in the market, at the expense of on-premises solution vendors.
- Significant transactions such as the purchase of Tableau by Salesforce.com further illustrate the shift to SaaS-based solutions.
- AI chatbots and NLP-based interactions with subscribers have slowly come to market, and were refined in 2018.
- External data monetisation continues to grow for CSPs, but still represents a minor part of their current revenue.

Figure 15: Revenue and growth of top-six vendors compared to overall revenue growth in the business analytics market, 2018



Source: Analysys Mason

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About the author

Justin van der Lande (Senior 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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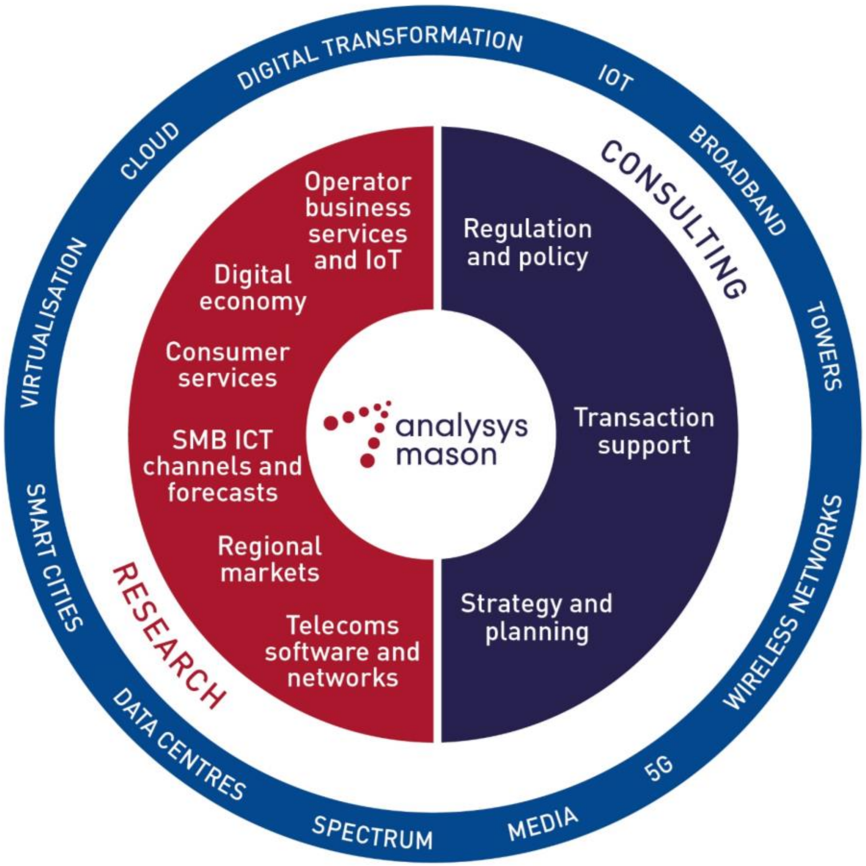

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PUBLISHED BY ANALYSYS MASON LIMITED IN **AUGUST 2019**

Bush House • North West Wing • Aldwych • London • WC2B 4PJ • UK

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