

Survey findings on the future of telecoms monetisation systems: 5G will define strategies and accelerate spend

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The first 5G deployments are expected to go live later this year. Communications service providers (CSPs) are increasingly focusing on ensuring that underlying support systems are ready to effectively monetise the new use cases that 5G will enable. CSPs are having to navigate their way around existing monetisation frameworks, which are mostly archaic and are not suitable for emerging use cases, as they evolve their systems architecture to support the features that are necessary for next-generation offerings such as dynamic scaling, complex partner settlement and real-time charging.

Analysys Mason conducted an independent survey of 100 CSPs and interviewed over 30 CSPs across all tiers in both emerging and developed markets in order to understand CSPs' strategic plans for future monetisation systems. From a 5G perspective, some of the key takeaways are as follows.

- CSPs are still uncertain about what the 'killer app' for 5G will be, which is affecting how they invest in monetisation systems.
- Enterprise services are expected to be the biggest driver of investment in monetisation systems in the 5G era.
- CSPs anticipate that 5G will lead to an improved customer experience due to faster connection speeds and seamless digital interactions between the customer and the CSP.

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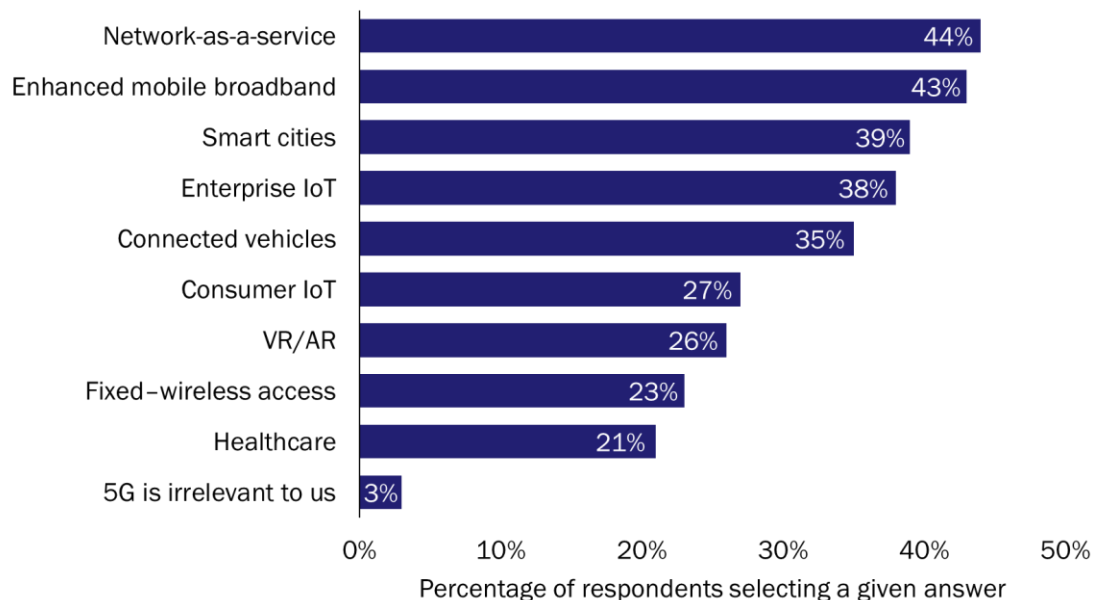
At this stage, CSPs are far from certain about which of the various applications enabled by 5G will drive revenue growth. This is significantly affecting how CSPs are planning to evolve their monetisation systems. In the past, most CSPs invested in monetisation platforms based on a clear set of requirements, which were linked to specific use cases. With 5G, however, CSPs are being forced to make investments without sufficient clarity on the use cases. As such, most CSPs are focusing on monetisation systems that are agile and comply with modern architecture frameworks in order to ensure that they are futureproof.

Enterprise services are expected to be the biggest driver of investment in monetisation systems in the 5G era

The majority of survey respondents identified enterprise services as a bigger driver for 5G-related investments into monetisation systems than consumer services. Network-as-a-service, smart cities and enterprise IoT are the leading examples of such services (Figure 1). Network slicing was a key topic of interest for most CSPs, as it is expected to allow CSPs to provide customised services to enterprises without the operational cost that is required for dedicated service levels. CSPs in developed markets are expected to lead in terms of spending on monetisation systems in the short to medium term given their progress with 5G deployments.

Many CSPs are anticipating that 5G will cause a notable uplift in consumer service revenue due to enhanced mobile broadband services, consumer IoT and VR/AR. Several CSPs also believe that 5G may be an alternative to fixed-line broadband access in rural areas where it is not economical to have super-fast fixed-line connections. Overall, CSPs expect that the potential for 5G-enabled consumer services will influence their investment in related systems.

Figure 1: 5G use cases that CSPs worldwide expect to drive changes to monetisation systems¹



Source: Analysys Mason, 2019

CSPs anticipate that 5G will lead to an improved customer experience

Half of the CSPs interviewed indicated that they expected customer experience to improve significantly following the deployment of 5G. CSPs associated faster access speeds with an enhanced customer experience which in turn, should facilitate both the cross-selling of other services and customer retention, thereby leading to improved margins.

Overall, for most CSPs, 5G is the single biggest factor influencing their strategy for evolving their monetisation systems.

The research highlighted in this article was conducted in collaboration with Amdocs. A detailed white paper, *The future of telco monetization systems: an evolutionary revolution*, presents Analysys Mason's findings from the research and can be viewed and downloaded here: <https://solutions.amdocs.com/future-monetization.html>.

¹ Question: Please select the top 3 5G use cases you believe will require the most significant changes in monetisation systems/processes (select top 3); n=100.