

Survey findings on the future of telecoms monetisation systems: new digital services will drive investments

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John Abraham

Communications service providers (CSPs) that are in the process of transforming into digital service providers (DSPs) must determine how best to make this transition in a cost-effective manner without disrupting ongoing operations. This is especially the case for monetisation systems, where the support and maintenance of legacy frameworks and disparate silos account for over two thirds of the overall spending on these systems. At the same time, the legacy nature of these systems impedes the pace at which CSPs can support emerging use cases or extract value from the deployment of new software systems.

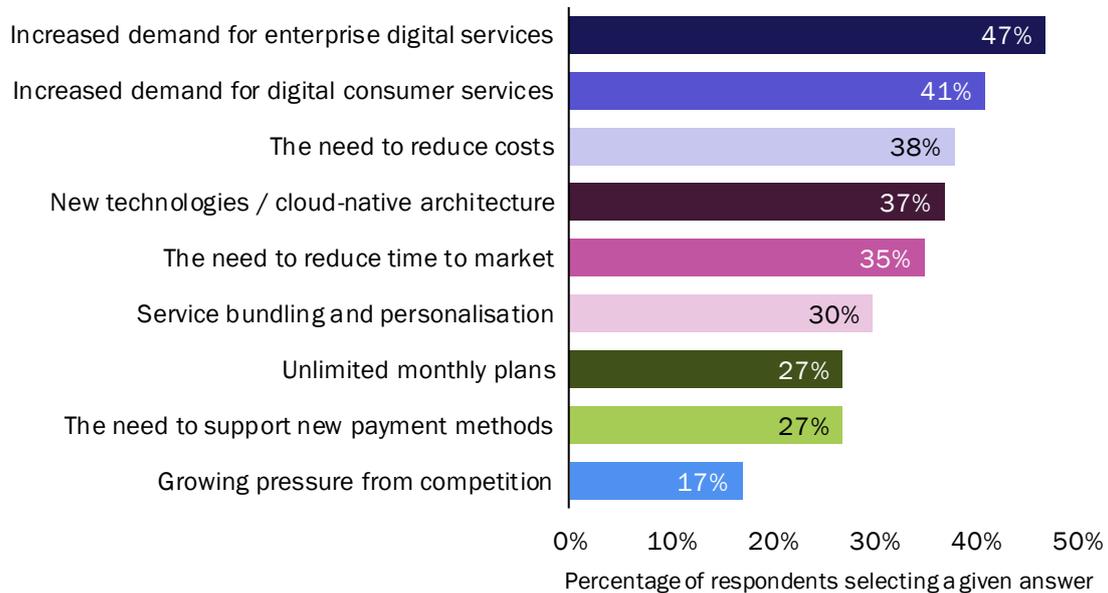
In late 2018, Analysys Mason conducted an independent survey of 100 CSPs and interviewed over 30 CSPs across all tiers in emerging and developed markets in order to understand CSPs' strategic plans for the monetisation systems of the future. The following represent some of the key takeaways from the research, which we explore in further detail below.

- New digital services are a key driver of change in monetisation systems, but the high cost of transformation continues to slow down progress.
- Billing and charging systems will continue to be a critical part of telecoms monetisation infrastructure.
- CSPs consider existing partner management systems to be incapable of supporting emerging use cases and want to comprehensively upgrade these systems in the medium term.

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Figure 1 highlights the key factors that CSPs anticipate will drive change in their monetisation systems. Nearly half of the CSPs that we surveyed consider the increased demand for digital services (whether for enterprises or consumers) to be a major driver of evolving monetisation systems. The reduction of costs is also an important factor that is driving change and consequently, this appeared near the top of the list of CSP responses, closely followed by the arrival of 5G and the need to embrace cloud-native architecture. Over a quarter of CSPs are aware that changes to their monetisation systems will be required to support new payment methods and the growing popularity of unlimited monthly plans. Interestingly, competitive pressure does not appear to have a substantial bearing on CSPs' plans for evolving monetisation systems.

Figure 1: Drivers of changes to CSPs' monetisation systems over the next 5 years, based on Analysys Mason's survey of 100 CSPs worldwide, 2018¹



Source: Analysys Mason

Billing and charging systems will continue to be a critical part of telecoms monetisation infrastructure

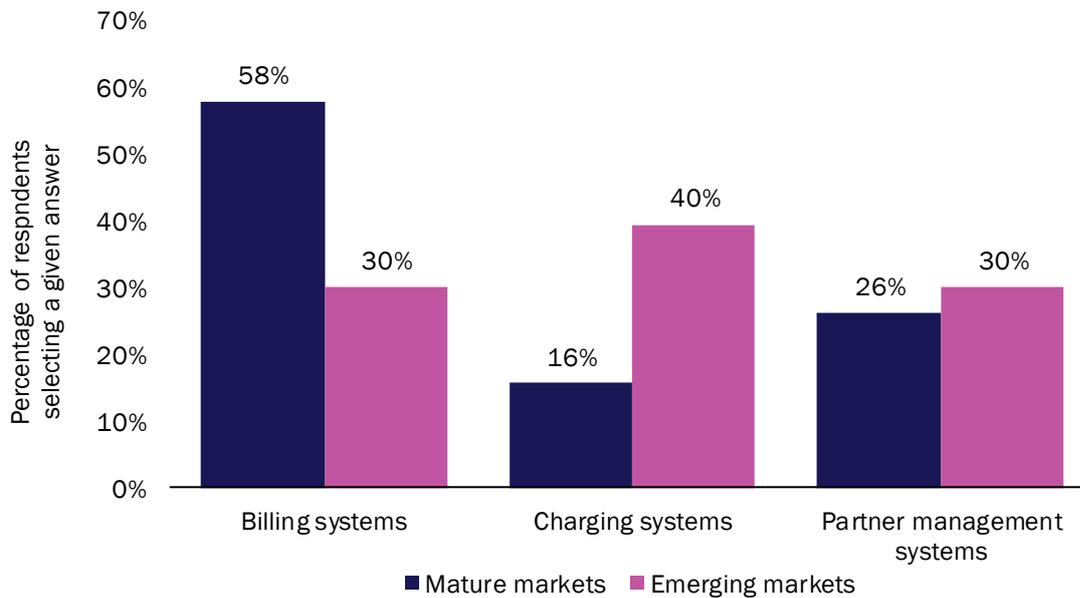
The role of billing and charging systems in future telecoms monetisation infrastructure is increasingly being scrutinised. This has been driven in part by the large cost and complexity associated with supporting legacy systems (over 70% of the overall spending on monetisation software systems by CSPs is on support and maintenance) and also the growing popularity of flat-rate bundles in some regions, which devalues the importance of billing and charging systems.

Most CSP respondents, however, anticipate billing and charging systems to continue to be an important part of their infrastructure. Nevertheless, most CSPs expect existing billing and charging systems to evolve significantly in order to support emerging use cases more effectively and at a lower cost.

The research also highlighted that CSPs in developed and emerging markets have different priorities when it comes to ongoing investment in their monetisation systems. Nearly 60% of CSPs from developed markets assigned the highest priority to billing systems investments while in emerging regions charging systems received higher consideration (see Figure 2).

¹ Question: What, if anything, will drive the change in your monetisation (billing and charging) systems over the next 5 years? (Select top 3), n = 100.

Figure 2: CSP investment priorities in monetisation platforms, by developed and emerging markets, based on Analysys Mason's survey of 100 CSPs worldwide, 2018²



Source: Analysys Mason

CSPs consider existing partner management systems to be incapable of supporting emerging use cases and want to comprehensively upgrade these systems in the medium term

Over 80% of the CSPs that we surveyed concede that their current partner management systems will need to change to support emerging use cases. These systems are increasingly strategic for CSPs due to the growing potential of, and demand for, support of complex value chains, particularly in enterprise use cases enabled by 5G and IoT. As a result, several CSPs are planning to upgrade their partner management systems in the short to medium term.

Overall, CSPs are preparing to upgrade their monetisation systems in order to be better prepared to effectively monetise emerging use cases and also to drive down large support costs incurred on legacy systems.

The research 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>.

² Question: How will you prioritise your investments on these systems in 5 years' time? (Rank in order of priority, 1 being the most important and 3 being the least important), $n = 100$.