RESEARCH

Monetisation platforms: worldwide forecast 2018–2022

John Abraham

About this report

This report provides forecasts for communications service provider (CSP) spending on monetisation platforms and related services for 2018–2022. It provides details of how spending will vary by delivery type, service type and region across different sub-segments. The report also provides recommendations for how vendors and CSPs can transition from legacy systems to modern architecture frameworks.

The report is based on several sources, including:

- Analysys Mason's research from the past year
- interviews with CSPs and vendors worldwide.

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

SUB-SEGMENT COVERAGE

- Billing and charging
- Partner and interconnect
- Policy management
- Mediation

KEY QUESTIONS ANSWERED IN THIS REPORT

- What are the key trends and factors that will affect the monetisation platforms (MP) market during 2018–2022?
- What are the rates of growth in each of the sub-segments?
- What are the regional factors that will drive growth?
- What should vendors do to exploit new business opportunities?
- How will professional services for monetisation platforms perform during the forecast period?
- What are the major drivers and inhibitors that will influence CSP spending on monetisation platforms?

WHO SHOULD READ THIS REPORT

- Vendor strategy teams that need to understand how spending is shifting as CSPs seek to reduce spending on legacy systems and invest in adopting modern architecture frameworks.
- Product management teams responsible for feature functionality and geographical focus, and product marketing teams responsible for growth.
- CSPs that are planning to revamp their monetisation platforms and advance their digital transformation journeys, and want to ensure that they remain up-to-date.
- Professional services vendors that want to understand the growth opportunities over the next 5 years.

Three key trends expected during 2018–2022

1

CSPs' ambitions for enterprise services, driven by 5G, will be a key driver for investment in new monetisation platforms.

5G will support a new category of services for the enterprise market that most CSPs are ill-equipped to effectively monetise using their existing billing and charging systems. CSPs will invest in new platforms to help them effectively engage and monetise enterprise services.

2

SaaS-based delivery models will form an increasing part of CSP infrastructure, and will first be applied to non-real-time use cases.

CSP adoption of SaaS-based monetisation platforms will grow steadily, driven by the increasing success of these platforms within enterprise verticals and the much-improved agility they offer. The initial wave of deployments will primarily be restricted to MVNOs and small CSPs or niche use cases within larger CSPs.

3

CSPs are increasingly focused on cost reduction, which will drive a decline in overall spend through the adoption of modern software methodologies.

CSPs are increasingly concerned about the high cost of supporting and maintaining legacy monetisation systems. These concerns will inform a greater emphasis on efficiency and cost reduction through the adoption of modern software methodologies such as cloud-native frameworks and cloud-based delivery models.

Recommendations for CSPs

1

To effectively address emerging enterprise opportunities, CSPs should invest in modern partner management systems that can support multi-step, multi-dimensional value chains and enable dynamic settlement models to reach new customers in new markets.

To capitalise on emerging enterprise-related revenue opportunities, CSPs should have the support systems necessary to leverage their infrastructure and connectivity to seamlessly bring on board new partners and provide support for complex value chains and partner agreements.

2

CSPs should prioritise modern architecture frameworks in order to improve agility and reduce the cost of supporting legacy monetisation systems.

Most CSPs' existing systems architecture is monolithic and unable to support emerging use cases. CSPs should plan to progressively shift to a microservices-based, cloud-native architecture, which will improve systems agility and flexibility and help reduce costs through cloud-based delivery models.

3

MVNOs and smaller CSPs that are considering upgrading or transforming their billing systems should consider SaaS-based billing system deployments.

Smaller CSPs and MVNOs – or niche use cases within larger CSPs – are well-placed to benefit from adopting SaaS-based billing systems. In addition to being cost-effective and quick to launch, SaaS models also help improve agility through seamless scalability.

Recommendations for vendors

1

Vendors should ensure that their solutions are cloud-native compliant because CSPs are increasingly stating that this is a key requirement for all future system upgrades.

Cloud-native compliance – or a roadmap towards compliance – has become a key requirement for all future CSP system investments. This is partly in response to CSPs' aspiration to build a software architecture framework that is comparable to digital-native companies. CSPs' ability to integrate cloud-native applications within their existing infrastructure remains limited.

2

Vendors should ensure swift compliance for emerging 5G standards and related enterprise-focused use cases.

Effective monetisation of 5G use cases is a key area of interest for CSPs, especially because of the large network investments involved. Vendors should address these concerns by ensuring rapid compliance within emerging 5G 3GPP standards and also by providing support and expertise for addressing enterprise opportunities.

3

Vendors should improve visibility of their partner management portfolio and highlight key capabilities that will help CSPs to address complex value chain and emerging business models.

Partner management capabilities remain on the fringes for most medium-sized and large vendors, mainly because of CSP uncertainty. With 5G and IoT, the importance of a modern partner management will increase, which will drive demand for new solutions.

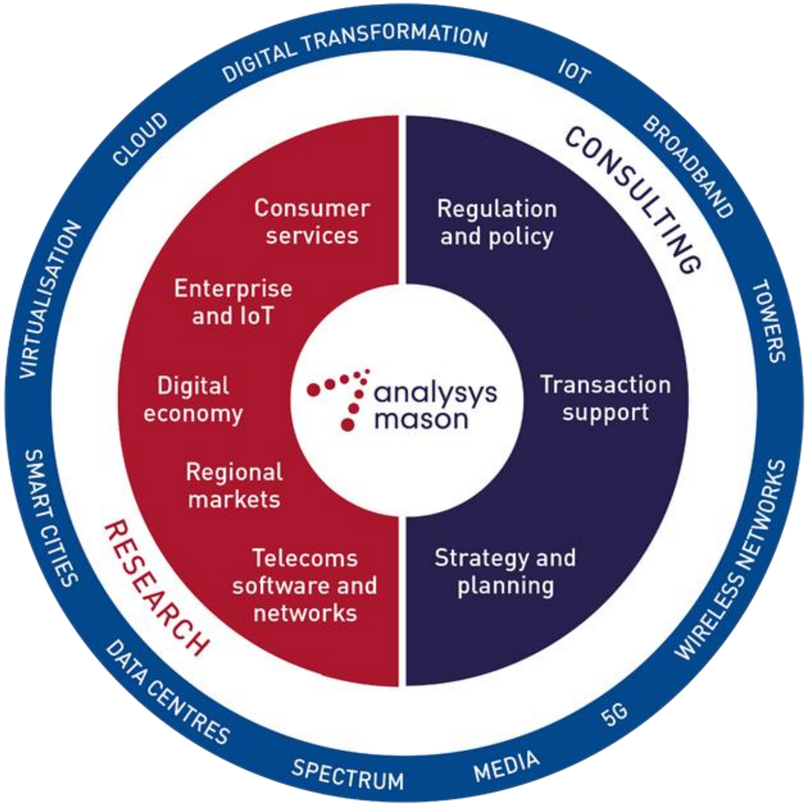
Contents

About the author

John Abraham (Principal Analyst) is a member of Analysys Mason's Telecoms Software and Networks Research team. He leads our ***Monetisation Platforms*** programme and our research into digital experience for monetisation platforms, as part of the ***Digital Experience*** programme. John also contributes to our research into cloud-native architecture models, which is covered as part of the ***Digital Infrastructure Strategies*** programme. John has been part of the telecoms industry since 2006, and joined Analysys Mason in early 2012. He has worked on a range of telco projects for operators in Africa, Europe, India and the Middle East. Before joining Analysys Mason, he worked for several years for a BSS vendor and before that for Dell Inc 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).

Analysys Mason's consulting and research are uniquely positioned

Analysys Mason's consulting services and research portfolio



Consulting

We deliver tangible benefits to clients across the telecoms industry:

- communications and digital service providers, vendors, financial and strategic investors, private equity and infrastructure funds, governments, regulators, broadcasters and service and content providers

Our sector specialists understand the distinct local challenges facing clients, in addition to the wider effects of global forces.

We are future-focused and help clients understand the challenges and opportunities new technology brings.

Research

Our dedicated team of analysts track and forecast the different services accessed by consumers and enterprises.

We offer detailed insight into the software, infrastructure and technology delivering those services.

Clients benefit from regular and timely intelligence, and direct access to analysts.

Research from Analysys Mason

Consumer services programmes
- Mobile Services
- Mobile Devices
- Fixed Broadband Services
- Convergence Strategies
- Video Strategies

Operator investment programmes
- Operator Investment Strategies
- Network Traffic
- Spectrum

Telecoms software and networks programmes
- Software Forecast and Strategy
- Telecoms Software Market Shares

Network-focused
- Next-Generation Wireless Networks
- Video and Identity Platforms
- Service Design and Orchestration
- Automated Assurance
- Network Automation and Orchestration
- Digital Infrastructure Strategies

Customer-focused
- Digital Experience
- Customer Engagement
- Monetisation Platforms
- AI and Analytics

analysysmason.com/research

Digital economy programmes
- Digital Economy Strategies
- Future Comms

Enterprise and IoT programmes
- Large Enterprise Voice and Data Connectivity
- Large Enterprise Emerging Service Opportunities
- SME Strategies
- IoT and M2M Services
- IoT Platforms and Technology

Regional markets programmes
- Global Telecoms Data
- Americas
- Asia–Pacific
- Middle East and Africa
- European Core Forecasts
- European Telecoms Market Matrix
- European Country Reports

DataHub
- Data covering +80 countries and +550 operators
- ~2500 forecast and +250 historical metrics
- Regional results and worldwide totals
- Operator historical data
- Compare markets and operators
- Financial values in USD, EUR or local currency
- Export data to Excel and save searches

Consulting from Analysys Mason

REGULATION AND POLICY

- Policy development and response
- Ex-ante market reviews, remedies, costing ...
- Universal Service Obligation (USO)
- Scarce resources: radio spectrum management, auction support, numbering ...
- Ex-post/abuse of dominance
- Postal sector

TRANSACTION SUPPORT

- Commercial due diligence
- Technical due diligence
- Mergers and acquisitions (M&As)
- Debt and initial public offerings (IPOs)
- Joint-venture structuring
- Mid-market financial sponsors

STRATEGY AND PLANNING

- Commercial expertise
- Technology optimisation
- New digital frontiers

analysysmason.com/consulting

analysys mason

PUBLISHED BY ANALYSYS MASON LIMITED IN **NOVEMBER 2018**

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

Tel: +44 (0)20 7395 9000 • Email: research@analysysmason.com • www.analysysmason.com/research • Registered in England and Wales No. 5177472