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Service design and orchestration: worldwide market shares 2018

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RESEARCH

About this report

This report provides market share data for communications service provider (CSP) spending on telecoms-specific service design and orchestration (SDO) 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

- 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

- Activation
- Inventory management
- Engineering systems
- Order management (including service orchestration)

KEY QUESTIONS ANSWERED IN THIS REPORT

- What was the overall size of the market (service design and orchestration (SDO) software systems for the telecoms industry) and what drove this spending among CSPs?
- How did the spending vary across different sub-segments of the service design and orchestration (SDO) market?
- Who are the major vendors and what is their share of revenue in the service design and orchestration (SDO) 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

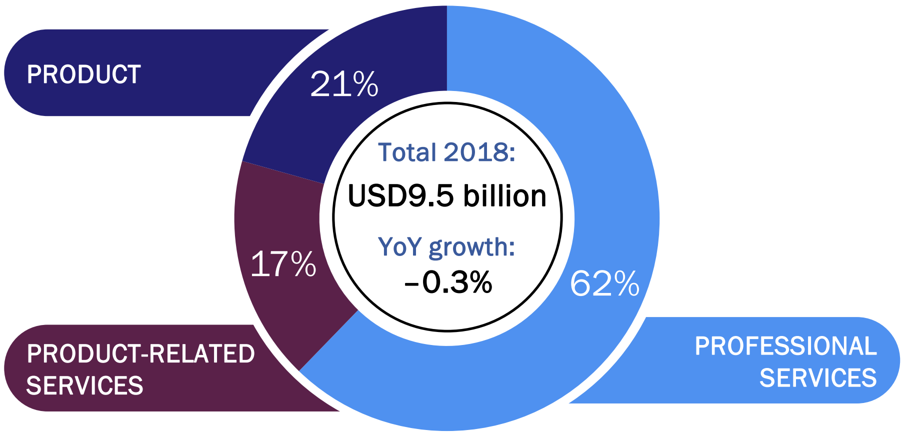
- Vendor strategy teams that need to understand where growth is slowing and where it is increasing across different sub-segment categories.
- Product management teams responsible for feature functionality and geographical focus, and product marketing teams responsible for market-share growth.
- Market intelligence teams at vendors that want to understand how their competitors compare to each other.
- CSPs that are planning digital transformation journeys and want to ensure that their current vendors are staying up to date.

Dashboard: Service design and orchestration revenue market shares

KEY MARKET DEVELOPMENTS IN 2018

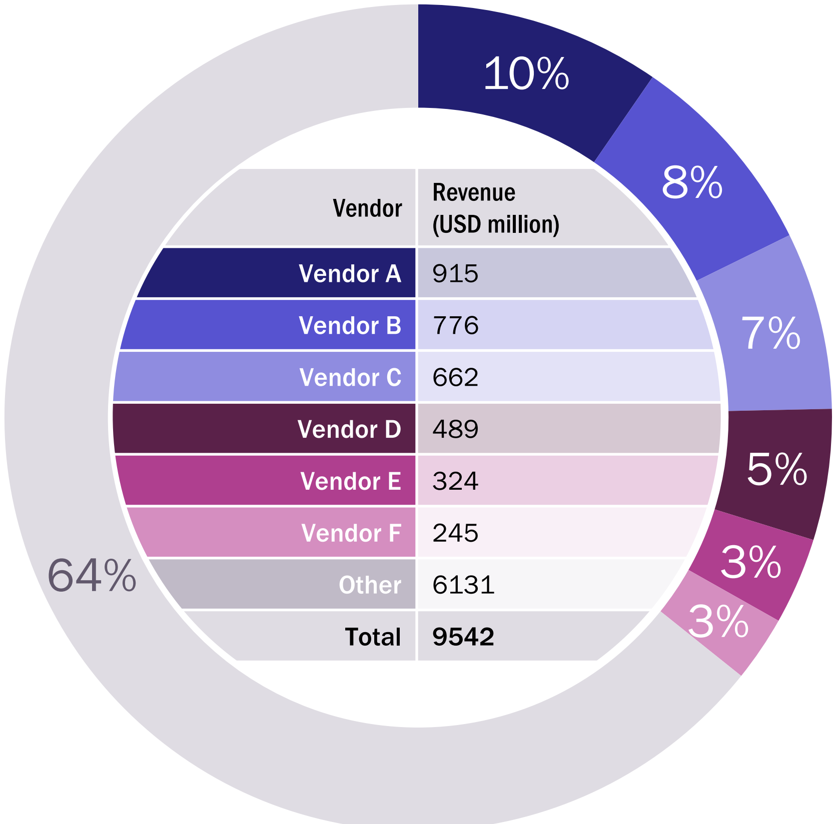
- The SDO market declined marginally by 0.3% to reach USD9.5 billion in 2018. CSPs shifted investments to newer initiatives such as supporting SD-WAN, fibre roll-outs and OSS modernisation.
- Functional boundaries continued to blur between key SDO systems such as activation and order management software, and network orchestration software such as multi-vendor WAN configurators and NFV orchestrator (NFVO).
- Vendor A was the overall market leader, followed by Vendor B. Vendor D was the leader in the product-related revenue category.

Figure 1: Service design and orchestration total revenue by type, worldwide, 2018



Source: Analysys Mason

Figure 2: Service design and orchestration total revenue by vendor, worldwide, 2018



Vendor	Revenue (USD million)
Vendor A	915
Vendor B	776
Vendor C	662
Vendor D	489
Vendor E	324
Vendor F	245
Other	6131
Total	**9542**

Source: Analysys Mason

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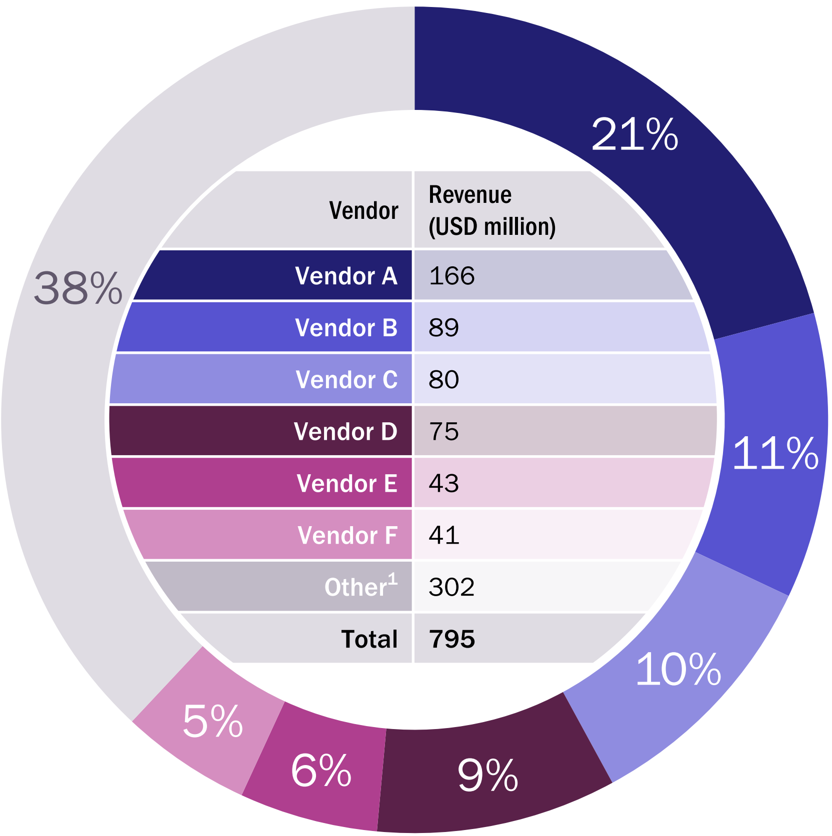
Activation product-related revenue market share

Figure 13: Activation systems product-related revenue by vendor, worldwide, 2018



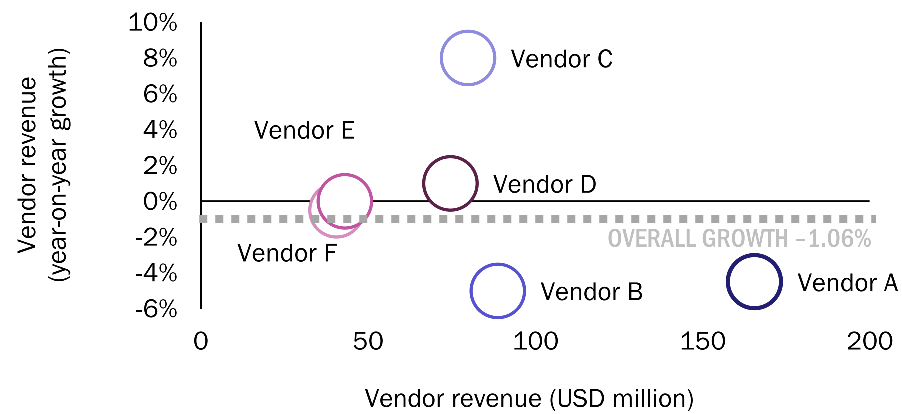
Vendor	Revenue (USD million)
Vendor A	166
Vendor B	89
Vendor C	80
Vendor D	75
Vendor E	43
Vendor F	41
Other[1]	302
Total	795

Source: Analysys Mason

KEY MARKET DEVELOPMENTS IN 2018

- eSIM introductions and upgrades to adjunct systems such as charging software required modifications to the activation software, which meant CSPs had to procure enhanced features. However, this was not sufficient to counter the market decline of 1%.
- Multi-vendor configuration systems (covered in our Network Automation and Orchestration (NAO) research programme) were deployed in place of legacy activation systems, which further contributed to the decline.
- Vendor A retained top spot but Vendor C grew the fastest to close the gap with Vendor B.

Figure 14: Revenue and growth of top-six vendors compared to overall revenue growth in the activation systems market, 2018



Source: Analysys Mason

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

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About the author

Anil Rao (Principal Analyst, Research) 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.

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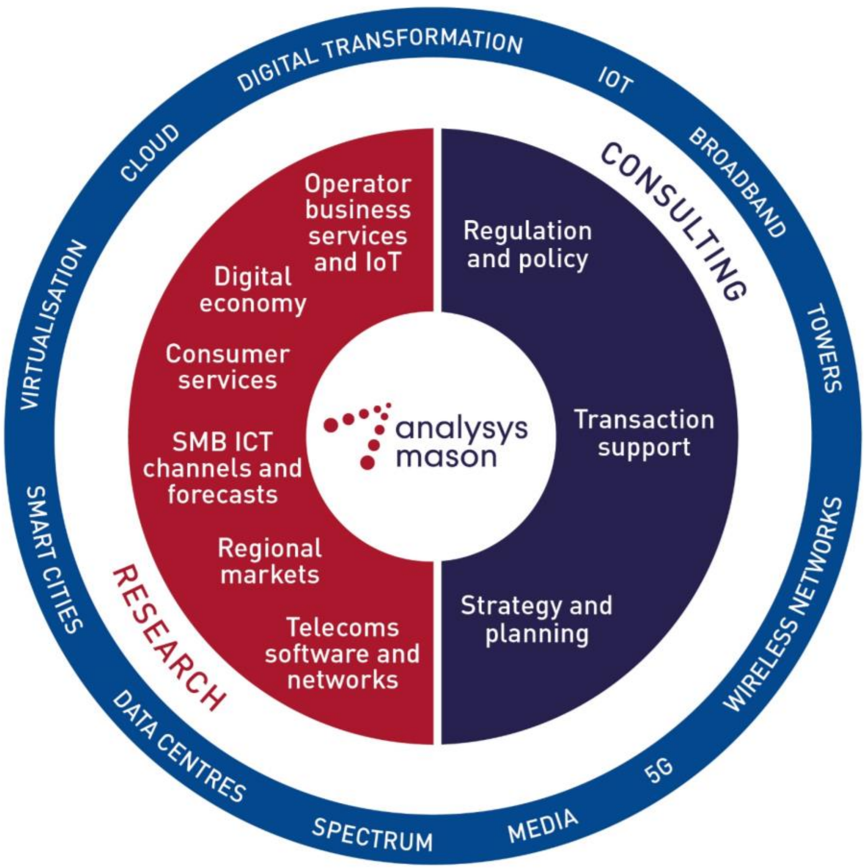

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