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Telecoms IT Market Forecast Report: 2023–28

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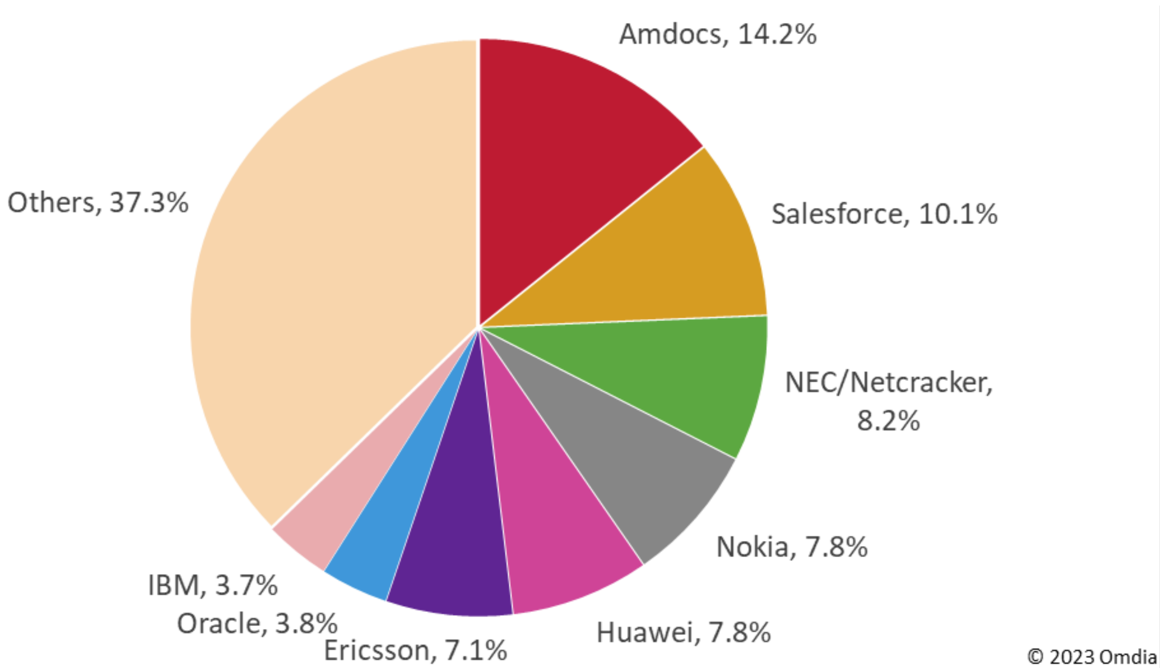
Extract

Vendor market share

Estimating the telco IT revenue of vendors is not an exact science. Calculating the overall revenue for some vendors like Amdocs and CSG, which are publicly listed and mainly focused on telco IT, is relatively straightforward. However, we still rely on company guidance for how this revenue is split among the various categories in our taxonomy. For publicly listed companies, but for which telco IT is a relatively small part of the overall business, we typically get no revenue guidance because stock exchange fair disclosure rules prevent them from doing so. Privately owned companies can be equally reluctant to divulge revenues. Even when companies provide guidance, we check the figures against other data points and adjust as appropriate.

According to our estimates, Amdocs led the telco IT market with a 14% market share in 2022. Amdocs' market share was slightly up (by 0.5%) from 2021, as its revenue growth of 8% was ahead of the overall market growth.

Figure 23: Total Telco IT software & services market share, 2022

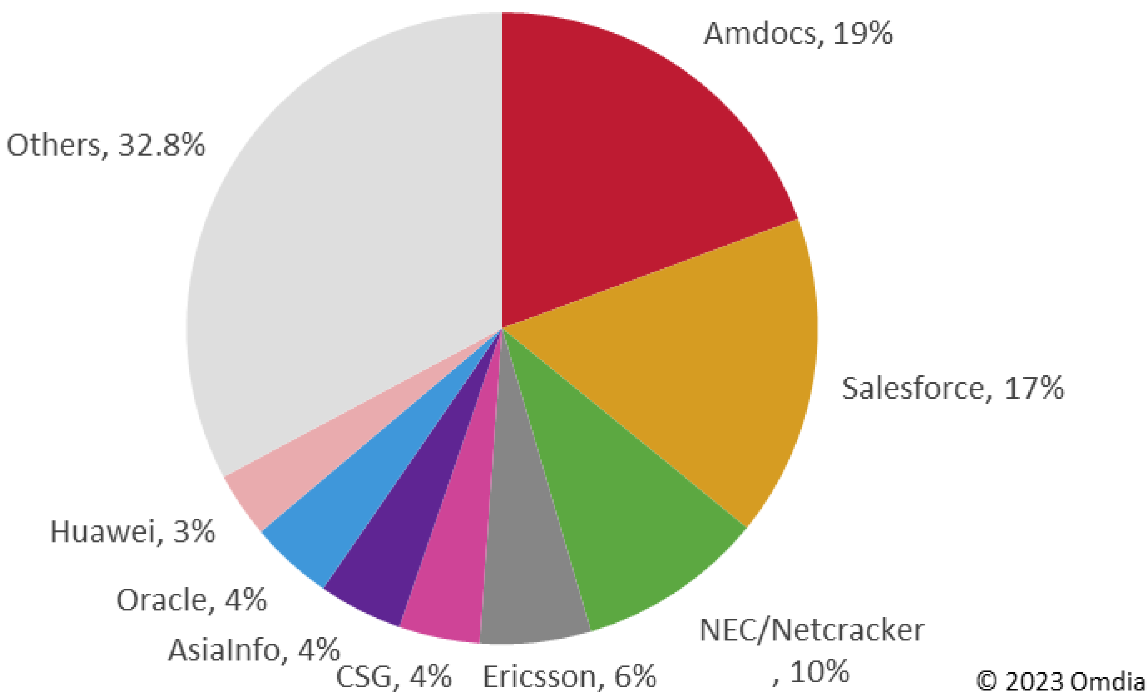


Source: Omdia

BSS market share

According to our estimates, the BSS market is led by Amdocs (thanks to a strong position in billing) and Salesforce (thanks to a strong position in CRM). Other notable players include NEC/Netcracker, Ericsson, CSG, AsiaInfo (inside China), Oracle, and Huawei.

Figure 24: BSS software & services market share, 2022

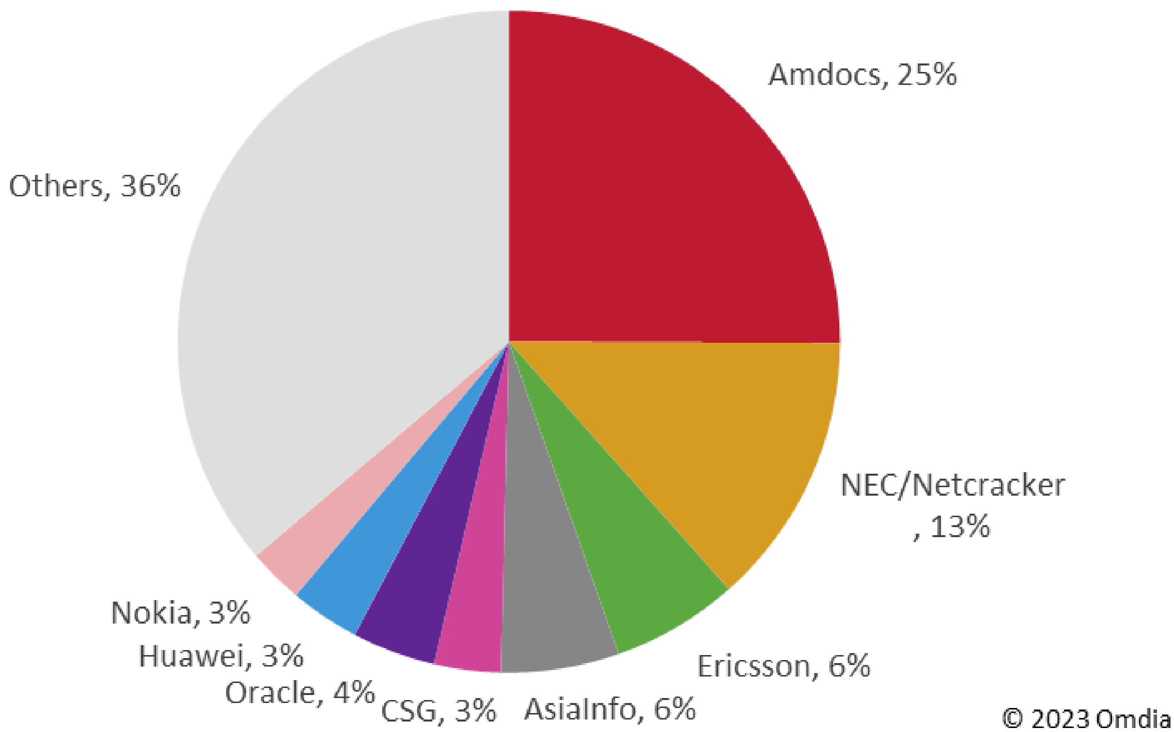


Source: Omdia

Monetization market share

According to our estimates, the telco monetization software and services market is led by Amdocs, followed by NEC/Netcracker.

Figure 25: Telco monetization market share, 2022



Source: Omdia

Company	Commentary	Key takeaways
Amdocs	Amdocs finished its fiscal 2022 (ending September) with revenue up 10.3% to $4.6bn on the prior year (on a proforma and constant currency basis). For the fiscal year ending September 2023, Amdocs guided for 6-10% revenue growth in constant currency terms. Revenue in the quarter ending December 2022 rose 7% in dollars and 10% in constant currency. For the calendar year 2022, Amdocs' revenue grew around 8% in dollars and 10% in constant currency. Revenue grew around 12% in North America (68% of total), 2% in Europe (13% of total), and was flat in other regions. In the first calendar quarter of 2023 (ending March), Amdocs reported revenue up 8% YoY in constant currency. The guidance range for revenue growth in the fiscal year ending September 2023 was narrowed from 6-10% to 7-9% in constant currency terms.	Outlook for 7-9% constant currency growth in the fiscal year ending September 2023 is slightly below the 10% delivered in fiscal 2022.

Telecom IT taxonomy

Omdia splits the telco IT market into three main categories and several subcategories as follows:

- **Business support systems (BSS)**
  - Monetization

  - Bill presentation
  - Billing/invoicing systems
  - Charging (Prepaid, Post-paid, Convergent)
  - Interconnect & wholesale
  - Mediation
  - Partner management systems / third-party settlement
  - Payment/collection systems
  - Policy control
  - Rating
  - Voucher management

- Customer engagement

  - Commerce (marketing, sales, campaign management, contract management, lead management, multichannel/omnichannel management systems)
  - Customer care (Customer service management, customer lifecycle management, self-service support systems)
  - Customer relationship/experience management systems
  - CPQ
  - Order management (customer)
  - Product catalog

- **Operations support systems (OSS)**
  - Service management

  - Service assurance: performance/fault/problem/SLA/service quality management, trouble handling, traffic analysis, monitoring, active and passive test.
  - Service orchestration: multi domain, dynamic orchestration; traditional activation, fulfilment, and provisioning.
  - Service inventory management

- Network management and engineering

- Network planning and design
- Network optimization (SON)
- Network configuration
- Network inventory
- Network maintenance and field operations
- Network Management Systems (NMS)

- **Analytics tools**: mainly standalone analytics tools purchased by CSPs. It does not include systems with embedded analytics as is the case with most OSS and BSS systems. These are captured in our OSS and BSS market estimates. The sub-segments within analytics tools that we consider are:
  - Business analytics
  - Customer analytics
  - Network analytics

Omdia also forecasts revenue across the three product domains by business category:

- **Software:**
  - Software license: Any license agreement for OSS, BSS, data management, and/or analytics software.
  - Maintenance: modification of a software product after delivery to correct faults, to improve performance or other attributes.
  - Software as a service (SaaS): A software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted, typically accessed by users via a web browser.

- **Services:**
  - Integration: Includes systems integration.
  - Managed services: Management/operation of specific CSP facilities for a set period, including applications development, training, and support. For the purposes of this forecast, managed services revenue does not include integration, SaaS, consulting, or maintenance.
  - Consulting: Consulting services for the purpose of this forecast refers to advisory, strategy, and similar services provided by a software vendor and have a specific impact on the management, implementation, priority roadmap, and the systems solely within the OSS, BSS, data management, and analytics domains.
  - Development: of custom CSP applications and/or systems within the OSS, BSS, data management, and analytics domains.

Appendix

Methodology

Omdia's Telecoms IT Market Forecast is based on several inputs: interviews and surveys with key industry players, the views of Omdia analysts, secondary research, and information contained in Omdia's online and published products and services. The forecasting model examines the telecoms IT market from both a top-down (service provider spending) and bottom up (vendor reported revenue) perspective to estimate an overall market size. All currency in the forecasts is expressed in millions of US dollars unless otherwise stated.

Further reading

IT Enterprise Insights 2023 – Global: Telecoms Report (Dec 2022)

Telecom IT Evolution Survey – 2022 (June 2022)

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