Research Note

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Telco monetisation systems in 2023

Amdocs retains industry leadership

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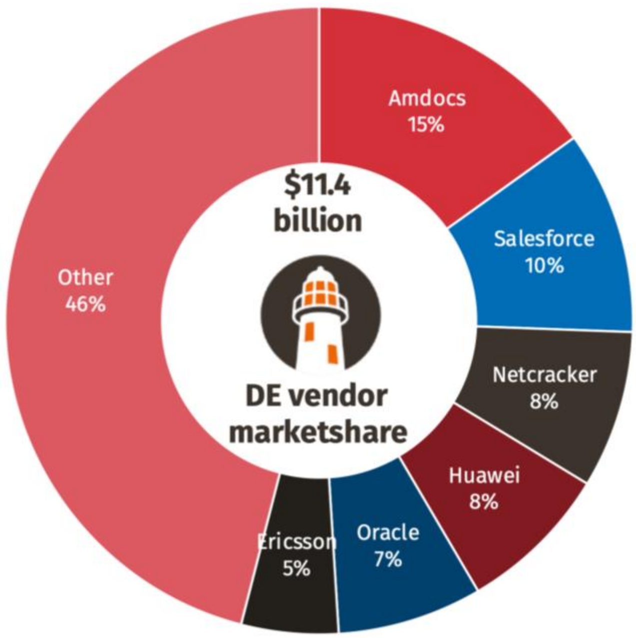
INTRODUCTION

The digital enablement segment, which primarily comprises of Monetisation and Customer engagement systems, is going through a unique phase where CSPs are prioritizing front and back office systems for modernization even as investments in network and OSS are registering nominal growth at best. In 2023, spending by Communication Service Providers (CSPs) on digital enablement solutions exceeded expectations, spurred by the need to enhance customer interactions and the availability of funds due to reduced investment in other areas like network infrastructure. Globally, spending on digital enablement systems, excluding professional services, reached $11.4 billion, an increase of 3.5% year-on-year (figure 1).

Figure 1: Digital enablement systems market by Supplier, 2023



Source: Appledore Research

Amdocs leads the overall digital enablement product market by a considerable margin with $1.74 billion in revenues. **Salesforce** is second with $1.2 billion, followed by **Netcracker** ($950 million), **Huawei** ($899 million), **Oracle** ($854 million) and **Ericsson** ($592 million) in the top six vendors. It must be noted that Amdocs, Netcracker, Huawei and Ericsson have their own in-house professional services division which compete with traditional system integration companies (professional services are not included in this report's numbers).

Monetisation remains one of the largest and most well entrenched segments in telecom accounting for $6 billion in spending in 2023. It is considered to be one of the most complex telecom software segments with numerous customized interfaces interconnecting multiple vendor solutions, some of whom do not exist anymore. The current wave of investment in this segment is focused on weaning telco operations off legacy monetization frameworks to modern, interoperable platforms.

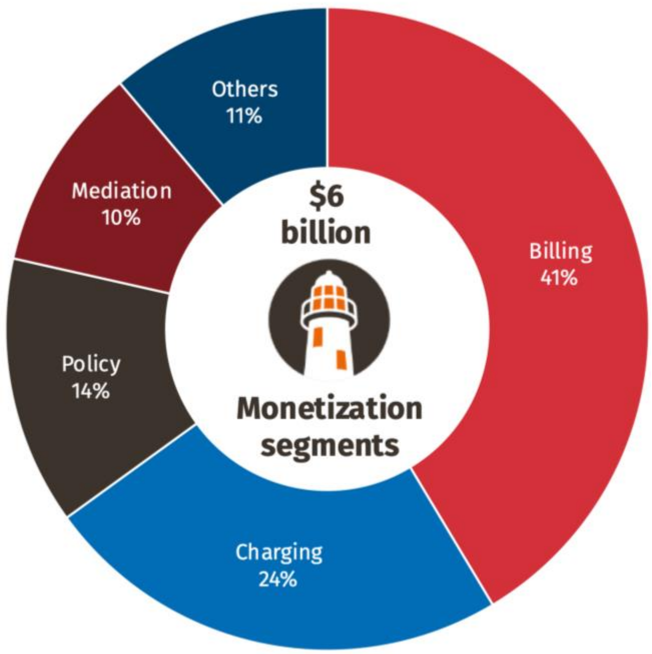
While economic headwinds create market uncertainty, telecom spending on monetization systems remains robust, defying concerns about standalone 5G delays. Communications service providers continue investing to transform their support systems into platforms, adapt to emerging business models, and build stronger B2B and B2C partnership capabilities.

Our analysis in this research note builds on the [2023 Digital Enablement systems market size and share report](), with a specific focus on mission-critical telecom monetization components - billing and charging systems.

BILLING AND CHARGING SYSTEMS NAVIGATE TRANSFORMATION JOURNEY

Telco billing and charging systems are mid-transformation cycle. This is partly why CSP spending on billing and charging functions dominates the telco investment in this segment, accounting for every three out of four dollars (figure 2).

Figure 2: Overall monetization by segment, 2023

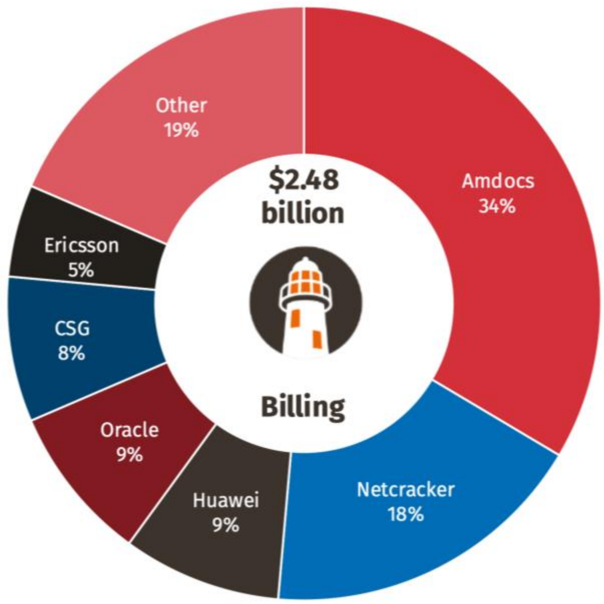


Source: Appledore Research

The overall monetization market remains heavily influenced by billing and charging solutions, with market leaders distinguished by their strength in both domains. The critical and complex nature of carrier-grade billing and charging systems makes them highly specialized and challenging to replace. Large, complex transformations typically unfold over a decade, with CSPs taking a measured, phased approach. Most providers begin with smaller, lower-risk use cases before tackling mainstream operations. Given these extended transformation timelines, CSPs favor established vendors with proven longevity, minimizing the risk of disruption throughout the multi-year modernization journey.

Despite their reputation for complexity and high costs, **telco billing** systems are entering a transformative phase, backed by continued CSP investment. Leading providers acknowledge the need to modernize their billing infrastructure, though this evolution will likely span the next decade. Investment is expected to grow as CSPs carefully balance system modernization with operational stability. Amdocs has dominated this segment for well over a decade, accounting for over a third in total telco spending (figure 3).

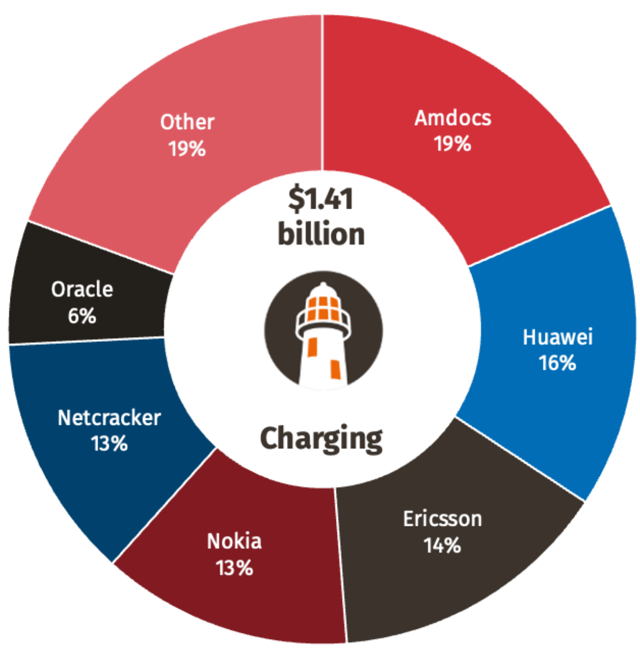
Figure 3: Billing segment by Supplier, 2023



Source: Appledore Research

Telco charging engines, which currently in their third generation are called Converged charging systems (CCS), have been impacted by the slower than expected rollout of standalone 5G. The CCS was a paradigm shift from the previous generation Online charging systems (OCS) due to the changes in the data exchange format from CDRs to HTTP/2 interfaces. Yet despite the delayed 5G rollout, charging systems had an exceptional year growing by 5.3% year on year with demand primarily driven by broader monetization modernisation initiatives and new business requirements. Amdocs maintains market leadership in this segment, outpacing even network equipment providers thanks to its extensive tier-1 client relationships (figure 4).

Figure 4: Charging segment by Supplier, 2023



Source: Appledore Research

CONCLUSION

CSPs worldwide are accelerating their monetization transformation plans, a segment traditionally viewed as highly intricate yet also mission-critical. Unlike past initiatives, they're now taking a more phased approach, implementing changes over several years. Their focus is on creating flexible architectures, developing platform-based cloud-native solutions, and optimizing total cost of ownership. Large CSPs, facing complex multi-vendor integrations, increasingly favor partnering with established vendors to guide their monetization platform modernization.

Amdocs stands out in this space, combining industry-leading monetization solutions with extensive CSP relationships. This unique position enables Amdocs to both meet current market demands and influence the evolution of telecom monetization.

ABOUT THE AUTHOR

With over 16 years' experience in the telecom industry, John leads Appledore's Digital Enablement program. Previously he was at Analysys Mason for 11 years where, as Principal Analyst, he led the Digital Experience research segment. He has experience working with a varied client base on topics ranging from digitisation benchmarking and procurement for CSPs; strategy and go-to market for vendors and commercial and technical due diligence for financial institutions.

Earlier as a consultant at a BSS vendor, he led implementation of BSS projects at multiple tier-1 telcos in Asia and Europe. John holds a bachelor's degree in computer science from Anna University (India) and an MBA from Bradford University School of Management (UK).

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