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EXECUTIVE OVERVIEW

MARKET MAP

Digital Service Provider Enablement Market Map 2017

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Communications service providers are morphing into digital service providers, requiring new technologies, ideas and approaches to enable a more 'digital' customer experience and deliver new network and over-the-top digital services. The Digital Service Provider (DSP) Enablement Market Map™ defines the categories that make up this evolving vendor and partner ecosystem.

ABOUT 451 RESEARCH

451 Research is a preeminent information technology research and advisory company. With a core focus on technology innovation and market disruption, we provide essential insight for leaders of the digital economy. More than 100 analysts and consultants deliver that insight via syndicated research, advisory services and live events to more than 1,000 client organizations in North America, Europe and around the world. Founded in 2000 and headquartered in New York, 451 Research is a division of The 451 Group.

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Rich Karpinski is a Principal Analyst - Mobile Operator Strategies working as part of 451 Research's Mobile Telecom team. In this role, he focuses heavily on mobile operator business models, service delivery strategies and the overall dynamics of the mobile ecosystem, working closely with 451 Research's operator customers to help them understand market trends and plot future strategies. His recent focus has included new service delivery strategies, including telecom data as a service (TDaaS), offer-driven business models and digital service strategies, including coverage of vendors enabling the carrier evolution from communications to full-scale digital service providers.

Key Findings

Communications service providers (CSPs) must evolve to become digital service providers (DSPs) or risk irrelevance. We are seeing successful early examples of operators making this transformation, but more work is required.

DSPs do two things: enable digital experiences and deliver digital services.

The current telco network and supporting infrastructure isn't suited for either DSP task. Even today, as the industry has rebuilt itself around 4G mobile networks and smartphone devices, it's plagued by network and front-office/back-office infrastructure that is too siloed, too deterministic and too batch-oriented.

The new watchwords for technologies and platforms enabling DSP transformation are intelligence, agility, customer-centricity and real time.

Telecom vendors have historically been categorized by the 'boxes' they provide. In the future, their ability to play a key role in telco DSP transformation will define their market success.

Executive Summary

INTRODUCTION

The 'digitalization' of all parts of our society – spanning consumer, business, industry and government sectors – is well underway. Communications service providers (CSPs) have a tremendous opportunity to sit at the center of many of these markets by leveraging their evolving networks, front- and back-office software capabilities and relationships with their subscribers – and everything they know about them – to help drive an array of digital use cases forward.

For telecom providers, however, the path to digital service provider (DSP) is hardly straightforward. It's just as challenging for the vendors, partners and other enablers that will provide operators with the ammunition to fuel their CSP-to-DSP transformation.

As with all 451 Research Market Maps™, this one provides a graphical presentation of different technology segments and the vendors and other enablers at play across those areas. We explore the market trends affecting those categories, and discuss how vendors are evolving to meet new DSP requirements. Perhaps more than most Market Maps, however, we view the DSP Enablement Market Map as a 'higher order' map, defining a broad strategy and market approach as much as an individual technology sector. We think that's important for two reasons:

- **The evolution from CSP to DSP is a strategic priority for all telecom operators, the biggest and most important project on their collective plates.** It deserves – indeed, requires – fresh thinking about what it really means for a telecom operator to become a DSP, and thus a fresh look at the types of products and technologies needed to enable that transformation and the evolving vendor landscape that provides them.
- **Perhaps more than any other sector, telecom is fraught with historical product categories and subcategories – many now outdated due to the evolution of operator strategy and networks.** Many of those segments have disappeared or morphed/melded into altogether new categories. We account for and reference those traditional platform architecture 'boxes' as we build our DSP Enablement Market Map. This helps readers orient themselves from past requirements to future needs; it also places evolving industry technologies, products and vendors within a higher-order taxonomy that better reflects the 'clean-paper' strategic thinking needed to drive true operator digital transformation.

Before we move onto our vendor market map, we should put a stake in the ground by defining what it means for a CSP to transform into a DSP:

A CSP…	A DSP...
…is primarily an operator of a communications network	…must be a full-scale network, cloud and mobile- and cloud-services provider
…is a fixed and mobile broadband service provider	…provides digital experiences powered by digital network services – often delivered 'over-the-top'
…lives and thrives in a world of increasing bandwidth	…sees bandwidth as just the starting point – leveraged to deliver content and services from the operator or close partners
…uses 'big data' primarily for inward-facing things like churn analysis and revenue assurance	…aims to monetize those data assets via telecom data as a service (TDaaS) and participate in the larger customer data ecosystem
…drives its marketing and service delivery via broad customer segmentation	…serves the needs of individual customers in a very personalized manner, letting customers self-serve as much as possible
…is vertical-focused in the business market when it comes to communications services	…doesn't just understand the communications needs of businesses, but provides a range of solutions to help businesses fuel their own digital transformations

Vendors on our DSP Enablement Market Map provide key infrastructure and capabilities to help operators in this digital transformation.

METHODOLOGY

451 Research Market Maps™ are designed to provide a view of the vendor landscape by major segment. The map highlights companies competing in multiple segments by connecting them through a circuit line. Identification and placement of companies into these segments is based on analysis, both published and unpublished, performed by 451 Research. This analysis includes interviews, reports and advisory work with several thousand enterprises, vendors, service providers and investors annually. 451 Research Market Maps™ are not intended to represent a comprehensive list of every vendor operating in this market. Inclusion on 451 Research Market Maps™ does not imply that a given vendor will be specifically featured in one or more 451 Research reports.

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