2005 OSS Market Perception Study

EXECUTIVE SUMMARY

Normally, the link between market share and mindshare – the recognition among buyers of a seller's brand and its reputation as a leader in its market sector – is clear and unmistakable. Companies that are widely perceived as leaders in their field tend to get the most business.

It's hard to characterize the operations support system (OSS) industry as "normal" in terms of how it functions in the marketplace. Like OSS products themselves, the OSS business is characterized by complex, labyrinthine relationships and channel partnerships that can involve hardware manufacturers, systems integrators, and even competing software vendors. Heavy Reading explored these relationships in two previous reports, Next-Gen OSS Partnerships and Strategies: Wireline Sector (Vol. 2, No. 8) and Next-Gen OSS Partnerships and Strategies: Wireless Sector (Vol. 2, No. 13).

Although the link between buyers and sellers of OSS software can be indirect enough to be almost invisible, it still exists. In discussions with hardware vendors about their OSS partnerships, many suppliers acknowledged that demands from service providers and integrators regarding products from specific OSS vendors influence their decisions on which OSS vendors to work with. OSS sales channels may run through other vendors and integrators, but the end customer arguably still has the biggest influence on which products succeed.

The 2005 OSS Market Perception Study provides a detailed look at how service provider decision-makers view suppliers in critical OSS market sectors. For this study, Heavy Reading invited service provider employees from around the world to identify the vendors they perceive as the market leaders in 13 different OSS categories. The survey drew responses from 76 carrier professionals representing more than 30 different network operators worldwide. Responses provide a clear and compelling view into how prospective buyers of OSS software perceive the vendors in each product sector. The 13 product categories cover 190 different OSS vendors worldwide, including 86 publicly traded companies and 104 private companies.

This report builds on our inaugural OSS market perception study, published in October 2003. Together, the two reports show which OSS vendors are succeeding in the struggle for customer mindshare, and which ones are in danger of losing their grip on their clients – and their revenues.

Key Findings

Key findings of the report include the following:

The OSS industry in general lacks any clear-cut market leaders, according to service provider customers. For the 13 product categories covered in the survey, only one vendor – Micro-muse – emerged as the top supplier in more than one category. Brand recognition varied widely...
depending on product category, even for suppliers with well-established names (including Hewlett-Packard, IBM, and Lucent Technologies).

**Service providers don't have a clear picture of how OSS vendors compare with one another on key market-leadership metrics.** In most product categories, 30 percent or more of survey respondents were unable to name leaders for price, product performance, quality and reliability, or service and support. This lack of leadership recognition strongly suggests that OSS vendors are not succeeding in getting their marketing messages across to their end customers, a failure that cannot help in the effort to boost sales and market share.

**Big vendors from the IT world are having mixed success in courting service provider customers.** Major providers of customer relationship management (CRM) systems have largely succeeded in establishing their credentials with service providers, but other IT companies venturing into more telecom-centric OSS domains are struggling for recognition.

**OSS specialist companies are getting more credit for market leadership, at the expense of bigger technology conglomerates.** Micromuse emerged as the top vendor across all OSS categories in the current survey, a big improvement over its fifth-place finish in the Fall 2003 ratings. Other OSS-focused suppliers that moved up in the ratings include Agilent Technologies, MetaSolv Software, and Amdocs.

Small, privately held OSS vendors have considerable mindshare clout compared with startups in the telecom equipment sector. In two of the 13 product categories, service providers gave the best overall scores to smaller private companies: Narus for mediation systems and Cramer Systems for resource and inventory management. Other private companies scoring well include Azure Solutions, Dorado Software, NetCracker Technology, Quallaby, and Rodopi Software. These results confirm earlier *Heavy Reading* conclusions that service providers are actively searching out best-of-breed OSS products, rather than relying on incumbent vendors alone.

**Report Scope and Structure**

The **2005 OSS Market Perception Study** measures buyer awareness of and attitudes toward OSS suppliers in 13 different product categories. To ensure the most accurate reading possible on buyer perceptions, respondents were asked questions only about those market sectors in which they claimed to be familiar with vendors or have a direct responsibility for buying, reviewing, or recommending purchases for their company. The study was also limited solely to service provider employees.

**Excerpt 1: Survey Respondents by Geographic Region (76 Total Respondents)**

![Source: Heavy Reading](source Heavy Reading)
Excerpt 2: Survey Respondents by Service Provider Type

Source: Heavy Reading

Excerpt 3: Multivendor Element Management Systems – Leaders by Product Performance

Source: Heavy Reading

Excerpt 4: Test & Measurement – Leaders by Name Recognition

Source: Heavy Reading
Respondents were asked to rate vendors on these five key criteria:

- Name recognition
- Price leadership
- Product performance
- Product quality and reliability
- Service and support

The report includes access to a searchable online database of results from the entire survey. The database enables users to view survey results by a variety of demographic breakouts, including the following:

- Service provider type
- Company size
- Geographic region
- Respondent job function

Survey results are presented in separate sections for each of the 13 product categories covered. Each section begins with a brief overview of the product sector, followed by full survey results and analysis of those results. Breakouts are presented for market leaders by name recognition and price, product performance, product quality and reliability, and service and support leadership. Highlights from respondent comments about perceived problems in each OSS category are also presented.

In addition, the report includes cross-category tabulations for 23 different vendors to determine their relative overall market perception rankings. These vendors were chosen based on the breadth of their product lines: All vendors with products in four or more of the 13 categories were included in the cross-category tabulations.

The report is essential reading for a wide range of industry participants, including the following:

- **OSS vendors**: How does your company rate in the eyes of your prospective customers? What do buyers see as your core strengths? What are your perceived weak points? How do you compare with your key competitors in terms of perceived market leadership? What are the opportunities to improve your standing as a perceived market leader? Is your reputation with buyers getting better or worse?

- **OSS channel partners (hardware vendors and systems integrators)**: Are your OSS partners considered among the premier suppliers by service providers? Which potential partners have the best reputation with buyers? Does your roster of channel partners need to be expanded to include up-and-coming vendors?

- **Service providers**: How do your colleagues perceive OSS suppliers in the product sectors that matter most to you? Are your suppliers considered leaders in their field? Which vendors merit another look, based on their reputation for leadership in the marketplace?

- **Investors**: Which vendors are in strong position to capture market share, based on their reputation for excellence and leadership among actual buyers in the service provider sector? Which are in danger of falling off the short lists of suppliers because of fading reputations? Which OSS startups are succeeding in capturing mindshare among carriers?

The **2005 OSS Market Perception Study** is published in PDF format. Report subscribers also gain access to a searchable database of all survey results.